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CURRENCY INFLATION IN EASTERN EUROPE WITH SPECIAL REFERENCE TO POLAND

Not one of the countries of Eastern Europe has escaped a great depreciation of its currency. In those which stand best—Czechoslovakia and Finland—the present exchange value of the paper money is only from one sixth to one tenth of par. In Poland it takes some hundreds of thousands of marks to equal a dollar. The Russians have lopped off six ciphers from their notes, but the “1923 rouble” is still far too small a unit for practical convenience.

Nevertheless the currency situation is by no means hopeless. In Finland, Latvia, Esthonia, Lithuania and Czechoslovakia the issue of new paper money ceased some little time ago, and that through the efforts of the people themselves with little or no aid from foreign loans. The cessation of inflation in Austria has been accomplished only by outside aid, but there is reason to hope that the stabilization of her crown can be kept permanent through local measures. Most of the other countries of Eastern Europe could do as well as their neighbors if they would only set themselves seriously about it. The pace of inflation in Rumania, Bulgaria, and Yugoslavia has already been greatly slowed down. In any case, on account of the primarily agricultural character of most of Eastern Europe, currency depreciation has not had such serious effects as in industrialized Germany. In the face of it almost all of the countries have made real progress toward recovery from the terrific consequences of war.

Of all countries of Europe, Poland offers the most interesting field for study of currency depreciation. The inflation is still going on there, faster indeed than ever. Moreover depreciation in Poland is, as it were, pure and undefiled; its effects can be studied independently, in large measure, of other abnormal and complicating factors. Unlike Austria, whose curtailed resources are scarcely adequate to support its huge capital but which in its orphanage has been fostered by its former enemies; unlike Germany, Hungary and Bulgaria, which lie under the overhanging cloud of reparations; unlike Greece, which has just emerged from war defeated, Poland has well-balanced and sufficient resources, is subject to no extraordinary financial burdens, and has been for fully three years at peace. The extraordinary expenses

entailed by the war with Soviet Russia explain, even if they do not justify, the inflation of the first two years of Poland's independence. Since then, however, there has been little excuse for continuing vast paper money issues—perhaps the only excuse lies in the difficulty of gaining any foothold on the steep and glassy slope when once the sliding process has begun.

The Vitality of Fiat Currency

After all, the most striking fact brought out by the currency experience of all Eastern Europe is that paper money continues to circulate fairly generally despite any degree of depreciation it may suffer, and for that reason a country is not literally forced to quit printing it because of its uselessness. This extraordinary vitality of paper money belies many of the prophecies, but it is really only a natural thing. If notes still pass when they have dropped to the tenth of their original buying power, why not, after all, when they have reached the hundredth or the ten-thousandth part of their former value. Each given stage may be considered a new starting point. He to whom currency is tendered thinks not of its value a year or a month ago, but of its value today and its probable value next week or next month. The degree to which depreciation checks the use of paper money depends upon the speed with which it is being put forth, not on the lowness of the value already reached.

Moreover the question whether paper money will ever be redeemed, at par or any other figure, has very little to do with its circulation. Broadly speaking people give thought to the political and financial position of the government issuing the currency not as affecting its ultimate redeemability but only as affecting the probable rate of future emissions. The money circulates not because of promises it carries, not because it is legal tender, but because it is the customary medium of exchange and any medium is better than barter.

When the writer was in Kief in 1920, during the short interval when the Poles occupied the city, there were five kinds of currency in circulation—Polish marks, Czar roubles or counterfeits of them issued by the soviets, soviet roubles, the "karbovanci" issued by the then existing Ukrainian government of Petlura, and the "grivni" issued by that ephemeral Ukrainian government of Skoropadsky which the Germans had set up in 1917. This government was many times buried. Soviets, Denikin, Petlura and the Poles had all ruled—some of them two or more times—in Kief after its demise. Yet of all these currencies the most popular—especially after the bolshevik army had surrounded the city and Polish prestige there was rapidly waning—was the grivni. Presumably the explanation lies chiefly in the fact that it was the most

familiar among the peasants, but one cannot help believing that one reason lay in the very extinctness of the government issuing this currency—it could not, like the others, print any more! Certainly confidence in the redeemability of the grivni had absolutely nothing to do with its acceptance.

Relation of Prices to Volume of Currency

While currency continues to circulate even when issues reach astronomical figures, its use is, of course, materially affected. The inflation however, puts two quite opposing forces at work. On the one hand, people tend to pass paper money on as fast as possible, in order that it may not lose value in their hands. Hoarding of currency virtually ceases, even in countries where the stocking was once the chief bank. In some cases the aversion to holding currency results in resort to barter, but nowhere, as far as can be ascertained, has barter become the predominant method of exchange. This hastening of the flow of money tends to cause prices to outstrip the increase in the quantity of currency in circulation. On the other hand, the fact that currency is falling in value cuts down bank deposits and consequently the use of checks as means of payment. It also cuts down charge accounts and other credit arrangements by which a whole series of purchases can be settled at one time with a minimum use of currency. These changes go toward throwing a greater burden on the money itself and thus toward holding down prices.

Which of these opposing forces would have got the upper hand in a given country, had other conditions remained unchanged while depreciation was going on, can never be known. Probably the former in most of the countries. But other conditions were not unchanged. Above all was the relation of prices to volume of currency affected by the fall in production, and especially in sales of commodities, which came with the war and its aftermath. Agriculture is the basic industry of Eastern Europe. Even in normal times a very much larger proportion of the agricultural products of this region are consumed on the farm or in the local community, than is the case in America. The proportion entering markets and requiring the use of currency is relatively small. With the decline in the production of these commodities the proportion entering the market declined still more. This cutting down of marketed output naturally boosted prices and may readily have been a more important factor in doing so than the hastening of the flow of currency.

It is difficult to determine, for any given country of Eastern Europe, just what change has taken place as compared with pre-war times in the relation between the level of prices and the volume of currency.

The chief hindrance lies in the changes in national boundaries, which make it impossible to know at all closely how much money was formerly in use in countries as they now exist. Such approximate data as are available indicate that, especially during the earlier stages of inflation, the rise of prices decidedly outstripped the increase of currency. Naturally this difference in pace tended gradually to become less marked. In Poland the growth in production during the past two or three years has largely offset any added disposition to pass on money rapidly. Not wholly so however, for, as compared with January, 1921, the volume of currency outstanding in April, 1923, had multiplied 39 fold, while retail prices had multiplied 54 times.

The experience of Poland, as well as that of several other Eastern European countries which have been studied, shows that, while inflation is actively proceeding, price movements manifest during short-time periods much greater departures from their general trend than changes in the volume of currency. Prices in Poland have actually declined at times, although paper money was increasing during each and every month; at other times prices have increased much faster than currency. These cyclical price movements have been sharper and of shorter duration than is common in countries with more stable currency. They are due chiefly to variations—sometimes sudden variations—in public opinion as to the future of the currency.

For example, in October, 1921, the Polish Finance Minister Michalski announced a new and fairly vigorous policy of taxation. The people began to count in advance on a reduction in the activity of the printing presses which was actually achieved only in the spring of 1922. Prices, which had been sky-rocketing during the summer, declined for a month or two and then remained virtually stationary for some months. As a natural reaction, when the belated check on emissions actually arrived, prices for some time outstripped currency issues. The still more extraordinary price movements since the middle of 1922 may best be described in another connection.

Not only are sharp cyclical movements in the general level of prices thus brought about by currency inflation, but comparison of more detailed statistics in Poland shows that there is a tendency toward somewhat greater variation in the relationship between prices of different commodities, and between those in different cities, than would probably occur in a normal currency situation.

It is a familiar fact that in countries where currency is fairly stable the movements of wholesale prices usually precede those of retail prices, and take on a greater amplitude. The same phenomenon appears in Poland and other countries suffering from inflation, but it is not clear that the difference between wholesale and retail price movements is any more marked than in countries with normal currency conditions.

Wages and Cost of Living

Especially interesting is the question of wages. Just as in countries with more stable currency, so in those undergoing inflation, wages, and more especially salaries, tend to lag behind rising prices. In Poland, at any rate, this tendency has been scarcely, and perhaps not at all, more marked than in countries where price advances are slower and due to more normal causes. In a way the very conspicuousness of price jumps makes it easier for the wage or salary earner to prove his need of increased pay.

In comparing current with pre-war wages in Eastern Europe it must be borne in mind that there have been decided changes affecting wages apart from currency inflation. The fact that the total production of commodities was less tended to bring down real wages. On the other hand the working classes came out of the war better organized and stronger politically than they entered it. Everywhere they have gained the equal ballot. It is quite possible that a lower real wage may represent a larger fraction of the output of industry than before the war. Just what influence currency inflation has played among these conflicting factors cannot be determined with any certainty.

There is no general index of wages in Poland. A recent official publication gave comparisons between 1914 and December, 1921, for sixteen classes of wage-earners, fairly typical in character. Between these two dates the cost of living in Warsaw, in terms of paper money, had multiplied 467 fold. The advance in wages for these sixteen classes of wage-earners ranged from 274 to 744 fold, and in eleven cases was greater than that in the cost of living. It should be noted, however, that the cost of living of a workingman's family in Poland has risen much less than the level of commodity prices, chiefly by reason of the fact that rent of dwelling, formerly constituting about a fifth of the total budget, has been artificially held down until it has become a fraction of one per cent of the total.

Somewhat more precise data are available for short-time comparisons of wages and cost of living since the war. For example, among eighteen classes of wage-earners, twelve increased their wages during the course of the year 1921 by more than the increase in the cost of living. Similar figures for the period from January to October, 1922, show that wages kept up fairly with living costs. It is a striking fact that throughout the years since the war, labor disturbances have been comparatively unimportant; there has been nothing comparable with the great strikes in England or with the coal strike of 1922 in our own country.

It goes without saying that in countries where prices are rising by leaps and bounds, great public attention is devoted to cost-of-living

statistics. In a number of industries in Poland it has become customary to enter into contracts by which employers bind themselves to advance wages *pari passu* with the officially reported index of living costs. The government has long pursued the same policy with respect to its employees.

Investments, Savings, and Credit

There is little need to stress the seriousness of the blow which currency inflation deals to investments, savings, and credit. In a primarily agricultural country, however, the shock is less severe than in a highly industrial country like Germany.

Bonds, mortgages, and other long-term evidences of indebtedness in Poland have been practically wiped out altogether. The number of persons dependent on such securities for their income was comparatively small in Poland, however. Moreover, unjust as this process may be to the holders of securities, it can hardly be regarded as an unmixed evil from the point of view of the general progress of the country. It relieves the active producers at the expense of the inactive investors. As already stated, rents in cities have also been held down artificially by government decree, so that owners of dwelling houses have suffered almost as much as security holders. What they have lost the working classes have gained, and this has been one of the influences in preventing labor unrest.

Currency inflation no doubt lessens greatly the accumulation of new capital. A considerable fraction of the savings which normally go to build up capital are made by persons seeking a safe investment at a fixed rate of return. Naturally these investments lose their attractiveness. The only securities which are in any demand are stocks of corporations, and these appeal only to a limited number. Such savings as take place are chiefly by corporations themselves and by active producers who put surplus earnings into the expansion of their own business.

It is of course impossible to measure the effect of currency depreciation in checking savings. The capacity of Eastern European countries to save would have been much less after than before the war in any case. In Poland there is reason to believe that on the whole the amount of capital employed in industry has increased slightly since the armistice, though there has been a tendency to let plant and machinery depreciate so long as they would work at all efficiently, and to devote any available new capital to rehabilitating direct war damage. The need for long-term loans for the rehabilitation of the agricultural property destroyed during the war has in some small measure been met by government advances.

From the standpoint of manufacturing and mining industry and of commerce the most serious effect of currency inflation lies in the weakening—one may almost say the destruction—of ordinary commercial credit. Bank loans fall to an absolute minimum. For example, 19 of the leading commercial banks of Poland—comprising over half of the banking business of the country apart from that of the State Bank—reported on December 31, 1922, individual deposits of only 55 billion marks. This sum was equal at the rate of exchange at that time to only about 3 million dollars, and even on the basis of the internal buying power of currency it would be reckoned at less than twice that amount in dollars. This figure of deposits was less than half as great as the amount of new paper currency issued by the government during December. The loans of these banks are of course correspondingly insignificant.

In every country where the process of currency inflation is going on, one hears many complaints of the shortage of currency. It is often seriously urged that the government should print more paper money simply because the high level of prices demands it. Of course the printing of more money would not give the slightest relief, since the real trouble is shortage of credit.

In the same way, currency inflation reduces greatly the volume of sales on credit. The whole business community, in fact, goes over primarily to a cash basis. Unquestionably this great reduction of credit transactions lessens the production of commodities and checks their flow from hand to hand. Nevertheless the commercial community learns to adapt itself to this method of conducting affairs, and gets along after a fairly satisfactory fashion.

The demand for short-term credit in Poland has been met in some measure by government loans. Until recently the method of handling these loans was such as to involve a virtual subsidy to industry. The interest charges of the State Bank were insufficient to cover the depreciation of the currency between the time of lending and the time of payment. The subsidy feature of these loans was indeed a more important aid to industry than the mere securing of credit. The burden of the subsidy was currently borne by the general public of the country, by reason of the increased pace of price inflation necessitated by the paper issues out of which these loans were advanced. There is something to be said in defense of this policy under the circumstances. It tended to keep manufacturing industry busy, and urban labor employed. It put the economic strength of the entire population behind the weakest point in the line. It probably helped in considerable measure toward that marked recovery in industry which has taken place in Poland during the last three of four years. The recent change in the basis of these government loans is described later.

Relation of Exchange to Internal Buying Power

One of the most discussed aspects of currency depreciation is the relation between the internal value of money, as expressed by the price level, and its value in exchange for foreign currency, especially for "sound currency." The only practicable method of determining this relation statistically is by the use of general index numbers of prices and of exchange. Comparison of prices of specific commodities or services is not sufficiently precise, nor sufficiently comprehensive. The index number for exchange at a given post-war date is computed in comparison with par, or with the exchange rate before the war. This index is compared with the index numbers of the prices of commodities in the two countries, calculated on a pre-war base. It is essential, of course, to take account of the movement of prices in the "sound money" country as well as in that with depreciated currency.¹ This procedure naturally does not take into account any difference which may have existed between the buying power of money in the two countries before the war; it is a method of comparing changes in buying power only. However, it is precisely these changes which are of interest.

Using this method for Poland, it appears, as might have been expected, that the internal value of the Polish mark has fallen much less than its value in exchange for dollars. Employing an elliptical expression, its value at home has at all times since the war been much greater than its value in the United States. The ratio has averaged about 1.8 to 1, or nearly double. The ratio has fluctuated between a maximum of about $2\frac{1}{2}$ to 1 and a minimum of about $1\frac{1}{5}$.

Exchange rates vary more sharply than prices in countries with rapidly depreciating currency. This is especially noteworthy in day-to-day fluctuations, but it sometimes appears conspicuously over periods of weeks or even months. There was a time in the latter part of 1921 when the exchange value of the Polish mark, for dollars, was actually rising materially, while internal prices were about stationary. On the other hand, during the third quarter of 1922 exchange fell much more rapidly than internal prices rose. From November to May the

¹The procedure may be illustrated thus: The average exchange rate of the Polish mark during the first quarter of 1921 was 767 to the dollar. Par being 4.2 marks per dollar, the index number for exchange was 18,300 ($767 \div 4.2 \times 100$). The index number for prices (retail—the wholesale index being about the same) during the quarter, taking 1914 as 100, was 24,700. However in the United States the prices during the first quarter of 1921 were 1.62 times higher than before the war. The relative index for Polish prices as compared with American prices is thus $24,700 \div 1.62$, or 15,200. The ratio of the internal value of Polish currency to its exchange value for dollars was thus as 18,300:15,200 or as 1.20 to 1. Were it not for the rise in prices in the United States the buying power of the mark in Poland at the time would have been less than its buying power in the United States, the ratio being 18,300:24,700. The ratio at this period was the lowest at any time since the armistice.

prices and exchange movements were fairly parallel, prices on the whole having risen somewhat more than exchange fell. During June, in sympathy with the break in the German mark, the Polish exchange fell enormously, far outstripping the rise in prices. During July and August the movements were again more nearly parallel. These variations in the relation between the internal and the foreign value of the currency are due largely to the fact that changes in public sentiment with regard to the future of the currency are reflected more quickly upon the central bourses in which exchange is bought and sold than upon the considerable range of commodities which enter the general price index. Certain of the abnormal exchange movements in Poland also have been attributable to direct interference of the government in the exchange market.

The experience of other countries with rapidly falling currency, as regards the relation of internal to exchange value of money, has been substantially similar to that of Poland. For example, the money of Rumania and Bulgaria has at most times since the end of the war been worth considerably more at home than in exchange for dollars, and in both the exchange has been subject to the sharper fluctuations. On the other hand when Czechoslovakia and Finland succeeded in stopping their printing presses—the former even in reducing the outstanding currency some twenty per cent—the exchange value of their currency rose rapidly while prices at home remained stationary or fell but little, so that an approximate equilibrium between the domestic and foreign value of the money was soon established. It may be noted that the effect of this rather sudden reversal of relations—especially in the case of Czechoslovakia—was by no means pleasing to the business community. It checked exports and invited imports of goods competing with home producers.

Depreciation and Foreign Trade

What has been the effect upon Poland's foreign trade of the excess of the internal over the external value of its currency? Apparently by no means so important as some of the theorists had prophesied. Poland has quite steadily increased her imports in the face of the currency situation. Naturally the import of unnecessary goods has been checked, partly by their expensiveness in terms of Polish money, partly by direct restrictions of government aimed to strengthen the exchange. Those foreign goods, however, which Poland has to have to keep her industries going and to supply essential needs of her people have been imported in no mean volume. The imports of the first half of 1923 were valued at \$110,000,000 (converting at exchange rates). Exchange transactions are, after all, only machinery; the driving

forces of importation are need for goods and means with which to pay. Poland's exports, which since the annexation of Polish Silesia have equalled if not exceeded the imports (\$116,000,000 during the first half of 1923) together with the large emigrant remittances from the United States, have furnished the means to pay. It is specially noteworthy that, except during the last few months, Poland has steadily increased her imports of cotton from sound-money America, the imports finally reaching a point in excess of those before the war and representing about one eighth of the total imports in value.

The sharp fluctuations in exchange—or more strictly in the relation between exchange and internal prices—do more to hamper imports than the low level of exchange in itself. It is chiefly by reason of these fluctuations that credit transactions in import trade are largely eliminated. Such credit deals as are made are based on foreign currency; the Polish cotton mills have been able to buy a considerable part of their requirements in this way. The fluctuations in exchange also make it risky for foreigners to carry consignment stocks in Poland. In general they tend to necessitate a hand to mouth conduct of business.

As regards the effect of currency depreciation on Poland's exports, there is little clear evidence that she has gained much through that ability to undersell competitors in sounder-money countries, of which some writers have made so much. Like so many other countries whose currency has gone bad, Poland since the war has had difficulty to produce enough goods to supply her own needs, and has had less than normal to export at any price. The advantage in competition has been confined to a limited number of commodities in which labor constitutes a large fraction of cost and in which imported materials play no great part. Poland's exports have been mainly of goods which "sell themselves"—of raw materials and partly finished products—though of late there has been considerable exportation of textiles. The growth of Poland's exports must be attributed chiefly to the gradual recovery of industry, rather than to advantage in competition arising from the currency situation.

Recent Developments in Poland

Had the present article been written some months ago, the summary as to the Polish currency situation up to that time would have been somewhat as follows: Depreciation had hampered but by no means prevented the recovery of production and of trade. Its effects had been, on the whole, less serious than had been generally expected. Agriculture, the most important industry of all, had been affected but little by the currency situation. Year by year more land had been planted, until the area cultivated in 1922 was nearly nine tenths of normal (and

still more was planted in 1923). Manufacturing and mining industries had made marked strides toward recovery. In Poland proper—as distinguished from Polish Silesia annexed in the middle of 1922—coal production last year was above that of 1913. The textile industry, by far the most important manufacture, had reached almost its pre-war output. Employers had encountered little difficulty with labor, and the working classes had seen their pay rise in fair parallel with the cost of living. Foreign trade had shown a decided measure of growth.

However, the spring and summer of 1923 have witnessed a severe industrial depression in Poland, and in considerable measure this was an outgrowth of the currency inflation. The tax measures of Michalski, above mentioned, had been of a temporary character only, and from the middle of 1922 government expenditures began to run far ahead of revenue; paper money issues piled up rapidly. All through the summer of 1922 a cabinet crisis prevailed; the cabinet finally formed considered itself provisional only pending the November elections. These elections for some months brought no stability to the political situation. The whole situation was such as to undermine confidence in the future of the currency.

Prices in consequence rose with unprecedented swiftness. They far outstripped even the floods of new paper money. People rushed to put their money into something stable—into goods or into foreign exchange or foreign securities. This peculiar form of speculation had pretty much the same effect as speculation for a rise in prices in a country with “stable” currency. It led to overproduction, or at any rate to an overstocking of merchants’ shelves. Meantime the government for some time continued its previous policy of helping industry out by means of loans which amounted to subsidies, and which enabled it to go on expending when the part of prudence would have been to reef sail.

The reaction was inevitable. The gradual building up of manufacturing industry had given place to a mushroom activity. Just as in ordinary commercial cycles, even had there been no special contributing causes, reversion of public sentiment would soon have led to depression. But the break was hastened by two new factors. In the first place the government began to get its feet on the ground, to show signs of stability, and to put forth proposals looking to a gradual sanification of the finances. The Finance Minister announced a new program of retrenchment and of increased taxation—a program which has since, after several months of delay, been in part enacted into law. The public began to count on a prompt reduction in the rate of currency emissions—a confidence which proved ill-founded, but which brought with it a reduction in that abnormal demand for goods which had characterized the previous months, and tended toward business de-

pression. At the same time the government changed its policy regarding loans to industry; in general it cut out the subsidy feature by the interesting device of expressing advances in terms of a theoretical sound currency. This was a necessary step toward checking inflation, but the effect of its sudden application was naturally severe upon industry and commerce.

During January and February, when the distrust in the currency had reached its highest point, prices had increased more than two and half fold. During March and April, although the volume of currency outstanding greatly increased, prices rose very slowly, which meant a considerable fall in real returns. The prices of some commodities even fell in terms of marks. Demand for goods fell off with great suddenness. Stocks on merchants' shelves remained unsalable. Speculation was shaken out. Manufacturers had to go on part time, or close down entirely.

Fortunately for employers, most of them had refused, during January and February, when prices were soaring, to follow the usual custom of raising wages to the full extent of the advance in living costs. Consequently they did not have to lower wages when the depression came, and on the other hand labor, recognizing the crisis, did not push demands for wage advances.

The industrial depression in Poland has continued down to the present time (October 1, 1923), although there have been, during the past few months, further marked changes in the currency and exchange situation. The Diet failed to act promptly on the recommendations for increasing taxation, although finally during the summer an important measure was passed which will go into effect at the beginning of 1924. Meantime the printing presses have been turning out marks faster than ever. During August, the amount of paper money outstanding was increased more than 50 per cent, and at the end of the month was more than 17 times greater than it had been 12 months previously, standing at nearly 7 trillions of marks. While both the fall of exchange and the rise of domestic prices from February to May were at a comparatively moderate pace, there was an astonishing break in June. In the course of a week or two, the number of marks necessary to buy a dollar rose from around 50,000 to 140,000. The wholesale price index for June was 67 per cent higher than for May. The government suddenly introduced most stringent measures for controlling trade and exchange, going so far for a short time as to make it almost impossible to effect payments even for imports already delivered. These measures checked temporarily the fall of exchange rates—though unofficial transactions were made at rates far lower than the official figures. The government was soon, however, forced by public opinion to abandon these excessive measures and even official

exchange rates again fell with great rapidity, so that at the end of August it took 14 times as many marks to buy a dollar as at the beginning of January, the rate being 250,000.

The people now see that until the new tax measures go into effect at the beginning of 1924, the printing of paper currency will have to continue at a galloping pace and there is naturally no attempt to discount so long in advance a slackening of the rate of fall in exchange which may then be anticipated. At latest reports, the Polish textile industry, which is more affected than any other important industry by disturbances in exchange conditions, was operating at about half time. The general policy of the mill owners recently has been to buy raw cotton only after they have accumulated foreign currency with which to pay, such accumulations being derived chiefly by exports of finished textiles.

The recent industrial depression in Poland has been in part a penalty of inflation, though it might have occurred perhaps in any case. In judging its significance, it should be borne in mind that this is the first real set-back which Polish industry has encountered since the war and that almost every country, however sound its currency, has experienced more or less grave depression at times, or continuously, during that period. The crisis in Poland has not been more severe than those from which a good many other countries have suffered. That it has not been more severe is probably attributable largely to the fact that manufacturing industry is not the major factor in Polish economic life, the country being primarily agricultural. Several of the barometers which reflect economic tendencies have shown little disturbance even during the present year. The number of cars loaded on the Polish railroads (not counting Polish Silesia) during the second quarter of 1923, when the depression in manufacturing industry was at its height, was appreciably greater than in the corresponding period of 1922, and during July and August the car loadings were nearly at maximum figures. Coal production both in Poland proper and in Polish Silesia has continued practically without change. Even imports and exports in the aggregate have kept up well. Back of this stability in activity along these lines has been the appreciable increase in the acreage planted to crops and the prospects of an excellent yield, since fully realized.

Resort to a Theoretical Stable Currency

The resort to a theoretical sound currency, to which reference has been made, is a very interesting development in Poland. Long ago the Poles determined that, in due time, they would have a currency unit of their own to replace the mark which they had inherited from the German occupation. This unit is to be the same in value as the gold

franc, and is to be called "zloty," which means the "gold." At intervals for some time past they have contemplated the immediate introduction of new paper money of this denomination, but the more thoughtful pointed out that it was useless to make a change until the budget was balanced so that the printing of notes to cover government deficit could be stopped. However, the habit of thinking for certain purposes in terms of "zloty" gradually became established. The government, recognizing that the inevitable continuance of inflation would make budget estimates in terms of marks impossible of realization, began early in 1922 to express them in—at least to translate them into—terms of zloty.

Naturally this conception of a stable measure of value has begun to enter into credit transactions. Already before any debts were expressed in terms of zloty there had been various time transactions in which obligations were expressed in something other than Polish marks—in foreign currency, or in terms of some commodity. Of late the practice has taken on wider proportions and more definite form. Private banks, in some cases, carry deposits and make loans in zloty. As already stated, the State Bank now makes its loans mostly in that way. Last fall the government began the sale of bonds payable partly in zloty and partly in Polish marks.² This spring short-term notes to a considerable amount were issued exclusively on the zloty basis.

The use of the zloty in credit contracts means simply that, when a given number of marks are loaned their equivalent in zloty is calculated, and the borrower agrees to repay a sufficient number of marks to equal the same number of zloty. The relation between the mark and the zloty is now usually calculated by the use of the index number of wholesale prices. Two or three other methods are sometimes employed—the exchange value of the mark for the Swiss franc, the price of rye or of some specified combination of staples, or a mean between the exchange for Swiss francs and some commodity price or prices.

How well this resort to a theoretical currency will work it is yet too early to forecast. It may serve in considerable measure to reestablish credit, which could never have been accomplished by means of obligations expressed in a rapidly depreciating money unit.

As far as I am aware, Poland is the only country except Russia

²The method was to accept in payment for a single bond a fixed and unchanging number of Polish marks, plus another variable number calculated as the equivalent of a specified number of zloty, this number being based, nominally, on the exchange rate of marks for Swiss francs. As a matter of fact, in order to make the bonds more attractive, the price was fixed at a smaller number of marks than corresponded to the actual exchange rate. The bonds are repayable on the same principle. The total amount which the government was able to sell was comparatively small, as is indicated by the fact that the issue of paper money continued practically without diminution.

in which systematic resort to a theoretical currency has occurred. In Soviet Russia the method has been tried in a variety of ways, and with little success—at least until recently—but Russian economic life is upturned by so many other factors besides currency depreciation that experience in this respect has little evidential value.

Prospects for Currency Sanification

The direction in which an ultimate remedy for the Polish currency situation must be sought is fairly clear. As economists seem pretty generally to agree, a country in such a plight should not seek to reduce greatly, if at all, the volume of paper money outstanding. To do so would entail far too heavy a burden on the government treasury, would work great injustice to those who have borrowed money already greatly depreciated, would do little to remedy the injustice done to pre-war creditors, would cause serious labor difficulties, and would gravely disturb foreign trade. To stop for good and all the printing of paper money, and to stabilize it at the then existing value, revaluing the unit at some convenient figure, is all that it is wise to attempt.

This stabilization demands, of course, a balancing of the government budget. Poland cannot greatly reduce her expenditures, although foreign critics pretty commonly insist that her military expenditures ought to be cut down. For that matter, government expenditures are comparatively low—in the neighborhood of \$10 per capita annually if one converts on the basis of internal value of money, and considerably less if conversion is based on exchange rates. The domestic debt—not counting, of course, the seven trillions of paper currency—has been wiped out by the depreciation itself. The foreign debt is only about \$300,000,000. Poland has the necessary resources and productive capacity to support its government on the present scale.

The initial step in curing the currency disease must be by adding very materially to taxation and to the revenue from public service enterprises. Until this is done there is no prospect of borrowing any important sums abroad nor of placing long-term bond issues at home, even if these are expressed in terms of theoretical sound currency.

The fact is that, for about two years past, the continuance of currency inflation in Poland has been due, not to economic incapacity but to lack of a strong financial policy. The difficulty has been political. So long as the country, just emerged from the destruction of the Great War, was fighting with the Bolsheviki, it had little choice but to pour out paper money. Since that time economic recovery has been such that the continued piling up of huge deficits was quite unnecessary. The dilatoriness in adopting adequate financial measures has been in part attributable to a rather widespread feeling that inflation after all

was doing little harm; in part to jealousy among different classes in the community as to their share in the burden of taxation; but chiefly, it would seem, to the newness of the government and the consequent difficulty in getting a working majority in the Diet.

The Polish Diet, during the past summer, after much delay, enacted new tax measures which may be expected to accomplish at least a good deal in reducing the rate of currency inflation. The most important of these measures provides for the imposition of a so-called capital levy during the years 1924-25-26. This is a progressive tax based on the value of property. As regards at least the smaller and medium sized properties, the tax is hardly to be considered in fact a capital levy in that it is not too high to be paid out of current income. The most important feature of this property tax lies in the requirement that it shall be paid on the zloty basis, the sums due automatically increasing as the level of prices in terms of marks increases.

As in other countries with rapidly falling currency, Poland has found her taxes and government charges always several laps behind in the race with the declining buying power of money. All direct taxes were paid in money worth far less than when they were assessed. Special decrees were required to advance customs rates, railway charges, and the like, and while these decrees have been made frequently they seldom have fixed the rates at a point equal, even at the time, to the rise in commodity prices, and usually before the next advance was authorized they would be far below the price level. The Polish treasury thus slipped back the greater part of every forward step; sometimes the slip exceeded the step.

No doubt considerable technical difficulty will be involved in the application of the zloty principle to taxes and other government charges, but the method can probably be worked out gradually. At any rate the experiment is highly interesting. Without such a method, Polish finance would find it very hard ever to catch up with itself.

Most of those other countries of Eastern Europe which have thus far failed to balance their budgets could, no doubt, do so as easily as Poland could. Rumania has a considerably heavier foreign debt than Poland and Bulgaria is handicapped by reparations payments. Nevertheless, the current deficits in these countries, as also in Yugoslavia, are relatively far smaller than in Poland, and vigorous taxation would almost unquestionably enable them soon to stop entirely the issue of paper currency. Up to about a year ago, Greek finances were in comparatively good shape and it does not appear that the new burdens thrown upon that country by the disastrous war with Turkey are insurmountable.

E. DANA DURAND.

*Bureau of Foreign and Domestic Commerce,
Washington, D. C.*

THE IMPORTANCE OF RETAIL TRADE IN THE UNITED STATES

Scope and Sources of Retail Trade Information

No important field of business statistics has been so neglected by both governmental and private investigators as that of retail and wholesale merchandising. While quite comprehensive inquiries have been made concerning production and operating conditions for manufacturing establishments, mines, railroads, telephone and telegraph companies, gas and electric light companies, electric street railways, farms, banks, ships, and fisheries, the size and distribution of trade has continued to be a subject for speculation. The National Bureau of Economic Research, in compiling their three volume work on *The Income of the United States*, published in 1921-2, did not even make an attempt to estimate the income of wholesale and retail workers, but merely grouped them with professional men and "all others" who contribute to the national income; and a committee of the American Statistical Association has recently recommended that a census be made of wholesale and retail trade, stating that "on the distribution of commodities, one of the greatest of national interests, we have no accurate information." Considering the frequent statements that the chief waste in delivering goods to the ultimate consumer is due to the "middlemen" and that the "middlemen" obtain exorbitant profits, it certainly would seem wise for the Bureau of the Census to make at least a decennial census of trade. The obvious reason why such a census has not been made in the past is the wide distribution of retailers and the small operating units involved. The improvement of means of transportation and communication, however, would seem to minimize these difficulties, and the desirability of checking the completeness of income-tax returns adds an imperative reason for a comprehensive investigation of sales and income from stores.

Having noted the incompleteness of trade data, let us next examine the information which is available. The most important sources of published data are: (1) the United States Bureau of the Census, (2) the United States Internal Revenue Bureau, (3) the Federal Reserve Board and the twelve federal reserve banks, (4) the Bureau of Business Research of Harvard University, and (5) the Bureau of Business Research of Northwestern University.

The Bureau of the Census secures every ten years, in connection with the population census, data concerning the occupations of all gainfully employed persons in the United States. Prior to 1910

persons engaged in trade and transportation were grouped in one main division, although many of the subclassifications were of such a nature as to indicate whether the occupation was in connection with trade or transportation. Beginning in 1910, trade was made a separate division, although there is still no clear separation between retail and wholesale merchandising. A further difficulty arises from the fact that accountants, cashiers, stenographers, and many other types of clerical workers in stores were placed under the separate classification of clerical occupations in 1920 without any segregation as to type of employing industry. For the year 1910, however, a cross classification was provided showing both type of employment and the employing industry for clerical workers, and this serves as a basis of estimate in segregating the numbers of these workers employed at stores in 1920. The occupational returns are published by states, as well as for the nation as a whole, so that they furnish some information concerning the regional distribution of trade throughout the United States.

The income-tax returns of the Internal Revenue Bureau are divided into two main groups: corporation returns and personal returns. Statistics of corporation income are published in more detail than statistics of personal income. Gross income, cost of goods, interest paid and compensation of officers are published as totals for all trade corporations making returns, while net income and income tax paid are segregated for wholesalers, department stores, and all other retailers. Statistics compiled from personal returns show net income obtained from trade together with the total amount of tax paid. In addition, the published personal returns for 1917 showed the gross sales of all retailers who made personal returns for income from business.

The Federal Reserve Board in coöperation with the twelve federal reserve banks secures monthly reports on sales from about 1200 wholesale firms, 500 department stores, 60 retail chains (operating 23,000 stores), and 4 mail order houses. The department stores also report the monthly value of their merchandise stocks, and certain of them furnish information concerning their outstanding orders with wholesalers, the promptness of their collections from customers, and the number of their employees. Most of these data are available since 1920 on a monthly basis and since 1919 on an annual basis.

The Bureau of Business Research of Harvard University has been conducting a rather intensive service for retailers for a period of about ten years. Systems of accounts were developed for important classes of retail merchants and later annual statistical reports were obtained from merchants who used this system of accounting, and the results were analyzed and printed. By this method analyses have been made of the operations of retail grocers, retail shoe dealers, retail druggists,

department stores, and other types of merchants. These analyses in most cases show the percentage of profits and various important items of cost to gross sales, the rapidity of turnover, and the differences of trade conditions according to the size of store and section of the country.

The Bureau of Business Research of Northwestern University also makes analytical studies of trade, but has confined itself chiefly to the clothing industry.

The Bureau of Foreign and Domestic Commerce has recently commenced studies of the size and location of stocks of certain classes of merchandise, such as canned goods, but has not yet published the results of its work.

The Size of Retail Trade in 1919

An analysis of the size of retail trade may best be made for the year 1919, as the complete returns of the Census of Manufactures are now available for that year, the returns of the Census of Occupations on January 1, 1920, have been published, and data on income-tax returns, sales of agricultural products, and foreign trade are about as complete for 1919 as for later years.

The only statistics compiled by the Bureau of the Census for retail trade, as indicated above, are those of occupations. Consequently, employment is the measure of retail trade which is most rapidly available. If estimates be made of the clerical workers engaged in retail trade for January 1, 1920, on the basis of ratios in 1910, and of the relative number of workers at wholesale and retail establishments for certain minor groups, it appears that the total number of persons employed in retail trade at the beginning of 1920 was approximately 3,350,000, as compared with 813,000 employed in wholesale trade, and 41,614,000 in all occupations.

A second important measure of the importance of retail trade is the total value of sales. This may be estimated for 1919 in three ways: (1) by totaling the value of all manufactured and unmanufactured articles entering retail trade and adding to their value at factories, farms, or ports a reasonable mark-up for expense of wholesale and retail distribution; (2) by calculating from statistics of income given by the Internal Revenue Bureau the gross sales of all reporting retailers and adding to this a conservative estimate of sales for those making no returns; and (3) by studying the average sales per employee at reporting stores and multiplying this by the total employment at all retail stores.

The table below shows the important classes of commodities which ultimately enter into retail trade, together with the approximate value of each class in the year 1919:

Articles manufactured in U. S.....	\$25,573,000,000
Fresh vegetables and fruits.....	978,000,000
Milk and butter sold from farms.....	824,000,000
Eggs and chickens sold from farms.....	785,000,000
Fish marketed	25,000,000
Coal sold at retail yards.....	686,000,000
Imports of manufactures, etc.....	1,062,000,000
Total	\$29,933,000,000
Exports of manufactures, etc., deducted.....	3,025,000,000
Cost of articles entering trade.....	\$26,908,000,000

This total seems to be conservative, as each of the figures entering it was carefully analyzed and reduced to a minimum. For example, all manufactures which are used as capital equipment, building materials, or are sold directly to consumers by manufacturers' agencies (such as automobiles, computing machines, etc.) were excluded from the total of manufactures. In obtaining the value of fish marketed only figures of catch at the largest seaports are included, and the value of coal includes only anthracite, as it is believed that most bituminous coal is sold by wholesale distributors to large consumers and that the value of bituminous sold at retail roughly balances the value of anthracite sold at wholesale to large consumers. Studies by the Federal Reserve Board and the Harvard Bureau of Business Research indicate that it is reasonable to consider 10 per cent the average mark-up of wholesalers and 25 per cent the average mark-up of retailers. This mark-up, it should be remembered, has to be sufficient to cover most of the costs of transportation for these articles, all expenses of wholesalers and retailers, and net profits. If it be estimated that \$26,908,000,000 worth of goods entered trade in 1919 and was marked up 10 per cent and 25 per cent respectively by wholesale and retail dealers, the total value of retail trade in the United States during the year was \$36,998,000,000.

The gross sales of corporations in retail business who made income-tax returns for 1919 are secured from the gross sales of all trade corporations by an estimate based on the relative net sales of retailers. Gross sales of individuals making returns from business are calculated from their net sales in 1919 and the ratio of gross to net sales in 1917. Finally, a comparison of the total number of income-tax returns for retailers with the total number of retailers as reported by the Census of Occupations or listed by the J. Walter Thompson Company in *Population and Its Distribution* indicated that there were about 1,000,000 retail establishments that made no income-tax returns in 1919. If the average gross sales of stores making no return be con-

sidered \$15,000 a year, the total gross sales of corporations, retailers making personal returns, and retailers making no return in 1919 must have aggregated approximately \$36,195,000,000.

The third method of approach in determining the value of retail trade involves the estimate of average sales per employee. A recent study of the Harvard Bureau of Business Research indicates that sales per employee at grocery stores vary between \$11,000 and \$12,000 per annum. Sales per employee at department stores which report to the Federal Reserve Bank of New York, on the other hand, are only averaging between \$8,000 and \$9,000 per annum. On the basis of these two important studies and estimates by a number of practical merchandising experts it seems fair to estimate average sales per reported employee at \$10,000 annually. As the number of retail workers at the close of 1919 was 3,350,000, the estimated value of retail trade obtained by this method would be \$33,500,000,000.

As the value of retail trade in 1919 secured by these three methods varies within a reasonable margin of error it seems fair to take the arithmetical average of the three results as a final estimate. Calculated in this manner the retail trade of the United States reached in 1919 a total value of approximately \$35,500,000,000.

The mark-up of goods sold at retail usually ranges from 10 per cent to 100 per cent and averages about 25 per cent, as stated above. As the value added by retail trade averages at least 20 per cent of the selling price, the total value added to merchandise by retailing in the year 1919 was about \$7,100,000,000. The following table indicates the importance of retailing, as compared with other large American industries in 1919.

	Number of workers	Value added to product
Manufacturing	12,819,000	\$25,042,000,000
Agriculture	10,953,000	21,022,000,000
Retail trade	3,350,000	7,100,000,000
Railroad transportation	1,908,000	4,996,000,000
Mining	1,090,000	4,613,000,000

It may be noted that retail merchandising is clearly the third most important industry in the United States both from the standpoint of the number of workers and the value of their work.

The Trend of Trade since 1919

No complete statistics of employment at retail establishments are available for any date since January 1, 1920, but it is possible to mea-

sure the trend of trade since 1919 with reasonable accuracy from the statistics of retailers who report to the federal reserve banks and do an annual business of over two billion dollars. An adjustment of the total volume of retail sales on the basis of this large sample indicates the following value of retail trade for the past four years:

1919	\$35,500,000,000
1920	41,600,000,000
1921	36,500,000,000
1922	36,400,000,000

These figures indicate that the total value of trade reached a maximum in 1920, but was relatively stable in the other three years. These figures are substantiated by the trend of gross sales of trade corporations published by the Internal Revenue Bureau. It is worthy of note that income-tax figures and studies by the Harvard Bureau of Business Research indicate, on the other hand, that net profits of retailers were relatively small in both 1920 and 1921, but showed much improvement in 1922.

Geographical Distribution of Retail Business

A fair indication of the distribution of retail trade is obtainable from the statistics of occupations by states. These statistics for separate states have been compiled by federal reserve districts in the following table in order to abbreviate them somewhat and make them comparable with other information available for these districts:

PERCENTAGE DISTRIBUTION BY FEDERAL RESERVE DISTRICTS

District	Retail trade	Wholesale trade	Population	Income	Banking resources
Boston	7.5	8.0	6.7	7.7	6.6
New York	17.5	18.0	12.5	16.8	26.7
Philadelphia	6.6	5.2	6.4	7.1	7.3
Cleveland	9.4	9.0	9.4	9.8	9.8
Richmond	6.6	6.3	9.2	7.0	5.3
Atlanta	6.3	6.4	9.3	5.7	3.8
Chicago	15.1	16.4	14.6	16.0	16.1
St. Louis	7.3	8.2	8.5	6.7	4.6
Minneapolis	4.4	5.1	4.8	4.5	3.8
Kansas City	6.2	6.5	6.6	6.3	4.9
Dallas	4.8	4.2	5.5	4.6	2.9
San Francisco	8.3	6.7	6.5	7.8	8.2

This table indicates that retail trade is relatively smaller than wholesale trade in the Boston, New York, Chicago, St. Louis and Minneapolis districts, which contain particularly large jobbing centers. Retail business bears a particularly high ratio to population in the New York, Boston, Chicago and San Francisco districts, while it is rela-

tively smallest in the Richmond, Atlanta, St. Louis, and Dallas districts. It is of interest that the variations in volume of retail trade by districts correspond more closely with variations in income and banking resources than with variations in population. This indicates that the size of retail trade is much more dependent on the wealth of a district or community than upon its population.

Growth of New Types of Retail Organizations

Retail trade remained the field of the small business man with limited capital long after manufacturing, mining, transportation, and communication had been organized into corporations operating in large units. However, three new types of retailers—the department store, the mail order house, and the chain—have been gradually introducing large-scale methods into the retail field.

The operations of the new types of retailer have been extended to all sections of the United States, and the country has been divided between them according to their comparative advantages. The department store is most successful in large cities, and is now found also in practically all towns of over 5,000 population. Mail order houses, on the other hand, have obtained the bulk of their business from the scattered rural population who obtain in this way a much wider choice in their purchases than is possible at the small stores of local dealers. The unit stores of chains, like department stores, were located at first only in the large cities, and at present their chief territory is the great cities, notably Philadelphia, New York, Chicago, Boston, and Washington. The chains, however, have not confined themselves to the development of strictly urban territory, but are now proceeding to extend their operations to most of the towns, particularly in the eastern sections of the United States.

It is very difficult to secure complete information concerning the number and the extent of the operations of large-scale retailers, but a rather extended survey of the field indicates that there are at present about 3,000 department stores, 100 mail order houses, and 1,000 chains in the United States which together operate about 100,000 stores and handle over 25 per cent of the total retail business.

There continue to be about 1,200,000 small retailers in the country, and their combined trade is still about three fourths of the total. Their relative importance will probably continue to decrease, but there is no probability that they will all be forced out of business, as they usually have the advantage of convenience of location as compared with department stores and mail order houses, give more personal service (including credit and delivery) than chain stores, and are receiving closer coöperation from wholesale dealers who look upon the

large-scale retailer as a common enemy. The department store and mail order house offer the consumers advantages in selection of goods from a larger stock, while the chain store usually offers goods at lower prices than independent dealers. The most real advantages of the large retailers, however, do not lie in their volume of buying or selling, but in their superior organization of work, better accounting systems, and more rapid turnover of stocks of merchandise.

The department store and mail order house were already quite fully developed prior to the World War and their recent growth, while large, has not been extraordinary. The extensive development of chains, on the other hand, has taken place within the last decade, so that the following statistics of number of stores operated by five leading chains are of special interest:

STORES OPERATED BY FIVE CHAINS

1913.....	1501	1918.....	5266
1914.....	1970	1919.....	5764
1915.....	2808	1920.....	6180
1916.....	4123	1921.....	6494
1917.....	4630	1922.....	7670

These figures indicate that the number of chain stores has increased over 400 per cent during the period of nine years ending in 1922, while the total number of retailers increased only 11 per cent in the decade from 1910 to 1920. These figures, moreover, probably tend to underestimate chain growth as they include only chains which were established prior to 1913. A large proportion of the chains operating at present were not in existence in 1913, so that a tabulation of all chain stores operating in each year would probably show an even more rapid rate of growth.

The table below, which is compiled from statistics reported to the Federal Reserve Board, shows the comparative change in dollar sales of important types of large-scale retailers in the years from 1919 to 1922, inclusive.

INDEX NUMBERS OF RETAIL TRADE (1919 = 100)

	1919	1920	1921	1922
Department stores	100.0	118.7	110.8	112.5
Mail order houses.....	100.0	103.1	71.6	78.5
Grocery chains	100.0	144.3	126.3	143.5
Five and ten cent chains....	100.0	118.1	124.1	140.5
Drug chains	100.0	120.2	122.7	126.9
Cigar chains	100.0	132.5	131.6	128.6
Shoe chains	100.0	120.9	117.2	115.0
Music chains	100.0	109.3	85.6	101.0

These figures include the same reporting concerns for each year, but each group of chains has considerably increased the number of unit stores operated since 1919. It will be noted from this table that all

types of reporting retailers had larger sales in 1922 than in 1919, except mail order houses. The small mail order sales indicated the curtailed buying power of the farmers, as compared with industrial workers, which was due to the low prices paid for many farm crops in both 1921 and 1922. The relatively large sales of groceries by chains in 1922 were not due to any sudden expansion in consumption of groceries, but to a remarkable increase in the number of chain stores. The Great Atlantic and Pacific Tea Company, Piggly Wiggly Company, Jones Brothers Tea Company, the American Stores Company, and most of the smaller grocery chains rapidly increased the number of their operating units during the entire year 1922 and the first six months of 1923. At the present time plans are under way for a further large expansion in number of stores operated by the five largest chains of five and ten cent stores. In fact, the history of the chain development to the present time seems to indicate that this form of organization is most advantageous in the grocery and low-priced variety business, although it has also become an important factor in the drug, cigar, dry goods, shoe, men's wear, hat, and candy businesses.

Summary

In the past there has been little statistical investigation of retailing, due to the large number and small size of the establishments involved. A few governmental and private organizations have recently, however, made studies which serve to outline the size and importance of the field. Careful estimates indicate that there were about 3,350,000 persons engaged in retailing in 1919 and that sales totaled over \$35,000,000,000. From the standpoint of number of workers and value of output, retailing thus ranks third among the fields of business endeavor in the United States.

Analysis of distribution of retail trade by geographical sections in 1919 indicates that sales per capita were largest in the industrial sections of the East and Central West and smallest in the agricultural sections of the South. In fact, the volume of retail trade bears a much closer relation to the total income of a community than to its population.

The development of large-scale retailers which commenced about half a century ago has received much impetus during the last decade from the growth of chain organizations. Available statistics indicate that there are over five times as many chain stores in the United States as there were ten years ago. This development of chain stores has been particularly large during the last two years in the retailing of groceries and variety articles, the fields in which they have proved most successful.

LAWRENCE B. MANN.

TRADE UNION DEVELOPMENT IN SOVIET RUSSIA

Exits from the stage of history are not always made on schedule time. Just as the prolongation of the infancy of industries embarrasses the protagonists of protective tariffs, so the existence of trade unions in Russia today calls for explanation in the light of the assumption that trade unions belong only to the capitalistic era. If the control of industry in socialist Russia has gone over to the workers, why has not the need for the trade union vanished simultaneously? It is true that the private capitalist is to be met in Russia again today, but even before the soviet government called a retreat and permitted private enterprise in 1921, the trade unions not only continued their pre-revolutionary existence but claimed important functions. Their present relation to the organs of a workers' government and their rôle in industry as it is now carried on must be known before the actual status of the trade unions can be made clear.

Striking contrasts stand out between Russian trade unions and those of western Europe. The differences in character are so great that the Russian trade unions are not affiliated in the same international, and sympathizers with the "reds" stir opposition strong enough to cause serious splits in the labor movements of all other industrial countries. Unlike the English unions, with a long history of struggle and slow progress behind them, *the Russian unions are very young*. They are young because modern capitalistic enterprise is still young in Russia. It did not exist before 1880, while English capitalism was in full bloom by the middle of the century and French and German well established before the last quarter. The growth of unions was delayed by legal prohibition and by government opposition more severe than ever handicapped the English or German unions. In the second place *the Russian unions are revolutionary*. For years their whole energy has been spent in fighting the Tsarist government and in devising plans to overturn it. As a consequence, in the third place, *they have been concerned primarily with political activities*, again contrasting with the trade unions of other countries. In the fourth place, instead of being composed exclusively of skilled and semi-skilled workmen from the separate trades, as the English and American unions came to be, *they have always included all grades of workers*, organized on an industrial basis. Last, to a degree greater than in any other country, the direction of *their development has been determined by intellectuals*, by groups of ardent idealists who wished to use them as factors in bringing on the social revolution. It was the revolutionary dogmatism which these intellectuals put in the mouths of the workers which has set the Russian unions against most of the European unions and ex-

plains the basic antagonism between the unions of the "Red International" and the essentially evolutionary unions of the Amsterdam International.

These characteristics are factors in the industrial problems before Russia today. They must be studied in their historical setting for an understanding of the trade unions of the present. Two turning points mark the development of the Russian unions. These are: (1) the 1917 revolution, and, (2) the inauguration of the new economic policy in 1921.

Belated Industrialism in Russia. Lack of contact in the past is perhaps the chief obstacle which prevents an easy understanding between Russia and western Europe today. Russia's isolation is age-old. Her geographical position and the different course of her internal development kept her a stranger in the family of European nations before the nineteenth century. The great religious and cultural upheavals of the Reformation and the Renaissance left her untouched. Western nations, on the other hand, had little knowledge or understanding of the political life of internal Russia. Between them and Russia scarcely more interchange of ideas and products took place than during the middle ages in the west. They looked on at the freeing of the serfs in 1861, heralded as the beginning of a new social order, but they could see no change effected in the primitive agricultural communities. The peasants continued illiterate and led miserable and uncertain existences. When the Tsar was forced to grant a parliament to the people in 1905, this was greeted as the beginning of constitutional government, but bureaucratic control was in no way lessened. The despotism which had maintained itself by terror of the secret police endured and spread its sinister influence throughout the entire structure of social life.

Belated capitalist development in Russia no doubt explains the extreme contrasts between East and West toward the end of the nineteenth century, but retardation rests on a less conspicuous but none the less fundamental difference to be found in the rôle played by the government. *Laissez faire* was completely foreign to Russian policy and practice. The government assumed and was forced to continue the rôle of entrepreneur and regulator by reason of lack of enterprising "captains of industry." The building of railroads and the development of manufactures were directly or indirectly government projects. Thus it was official bureaucracy, rather than private capital, which became the enemy of the newly formed working class.

The changes in methods of production which finally appeared toward the end of the century were attended by the same effects which followed the more gradual introduction of modern capitalistic organ-

ization of industry in western Europe. A rapidly growing industrial population began to be drawn into the cities. For them the new system meant almost intolerable hardship and an insecurity of life greater than they had ever known before. Increased suffering made them responsive to the revolutionary leaders who, in secret, organized thousands into the forbidden trade societies. Thus the way was being prepared for the trade unions long before the law permitted them to exist.

Trade Unions before 1905. Russian trade unions, in the modern sense of the term, did not exist before 1905, though there had been fraternal societies since early in the nineteenth century.¹ These were almost solely for the maintenance of sickness and benefit funds. The printers of Moscow and Petrograd early established such societies and later mutual aid societies of all kinds spread throughout the Baltic provinces and Poland. In all cases the management of the funds was regulated by the Minister of Finance, who, in this way, could and did suppress the development of other functions when the societies tried to add them.

Strikes were declared illegal and the criminal code of 1874 made workers who belonged to any society which aimed at "rousing hostility between employers and workers" liable to imprisonment, deprivation of property, and exile to Siberia. Strikes, nevertheless, did occur and became so serious in the industrial districts in the eighties that the government passed laws for the protection of women and children, aiming in this way to mitigate the worst abuses and so lessen discontent. In spite of these measures, the strikes continued and were made effective by the establishment of local and general strike funds. The collection of these funds was encouraged and supported by socialist groups who saw in the uprisings the beginning of the anticipated class struggle.

It was in this connection that the trade unions in their earlier form came into vigorous activity. They were, in fact, the fruit of ten years' agitation by the intellectuals, Marxian socialists, who encouraged the workers to assume their predicted revolutionary rôle. The groups administering the strike funds, primarily political organizations, became the embryonic trade unions, and, as Lozovsky points out, the Russian trade union movement, from its very beginning, has bound itself up with the political labor movement.

As the influence of the Social Democratic party began to be felt through the organization of the workers, the government tried to

¹One of the most detailed of the few accounts of the beginnings of trade union history in Russia which are available in English is by Abraham Lozovsky. It is entitled *Trade Unions in Soviet Russia* and was published in pamphlet form by the Labor Research Department, London, in 1920.

thwart it in an extraordinary manner. It set about inaugurating "legal" trade unions, much after the fashion of American "company unions." These were brought into being under the auspices of the Okhrana, or secret police, beginning in 1902. The police unions aimed to concentrate the attention of the workers on the mutual aid features of the associations. This they failed to do. Once organized, the workers demanded wage increases, threatened strikes, and were attracted to the program of the Social Democratic party just as the "illegal" unions were. Employers objected to them and complained to the government. In St. Petersburg a vigorous society, with its eleven branches, became the very center of the labor movement in that city in spite of its police origin. The government policy proved suicidal, for in the end, these "legal" unions gave impetus to the revolution of 1905.

The Revolution of 1905. The growing strength of the various unions manifested itself in a series of strikes in the early part of 1905 and in the formation of many semi-legal unions, which now stood out more or less in the open. Printers, clerks, watchmakers, tailors, tanners, shoemakers, and bakers formed new organizations or came above ground with old ones. In the early autumn a new strike wave spread over the country and culminated in the memorable demonstrations on "Bloody Sunday" in October. The political parties seized the opportunity to extend their influence, and disaffection in the army and navy made counter-revolutionary efforts on the part of the government completely ineffective for the moment. The workers in St. Petersburg formed an industrial council, the St. Petersburg Soviet, and declared for social revolution.

In October, 1905, the First Russian Trade Union Conference took place. It was comprised of 26 Moscow unions and 10 from other centers and it was declared open to "such mutual aid societies and trade unions as are composed of wage-earners of all trades of a proletarian character and are directly or indirectly fighting capital." Thus the first attempt at federation made by the Russian trade unions had behind it a definite class consciousness. In spite of numerous reverses, new unions were formed and when the Second Conference was held, in 1906, it was estimated that the Russian trade unions had an individual membership of about 200,000.

The first flush of success was not to continue uninterrupted. The 1905-1906 revolution failed and as a result the history of trade unionism as a country-wide movement remained almost a blank for another dozen years. The Tsar's government, with financial support from outside, was able to defy the new Duma and to resort again to repression. The revolutionaries were done away with on the spot or dispatched to Siberia. A new law, aimed at the extinction of trade

unions, was passed and in 1907 the police reported 107 unions had been "closed down." Many times "closing down" by the police did not really break up the associations, which lived on in secret, but the repressive measures were such that there could be no concerted movement until the overthrow of the Tsar in 1917.

Political Affiliations. In the meantime the revolutionary parties, now also more vigorously opposed by the re entrenched government, were making appeals to the dissatisfied workers and were winning adherents daily. During the war the parent Social Democratic party had exhibited a marked rift, which grew out of differences of opinion with regard to the Marxian formula for the stages necessary in arriving at communism. The Mensheviks, or minority, led by Martov, interpreted the on-coming revolution as a capitalist one. Russia, they said, had not yet passed through the inevitable capitalistic period. They held, therefore, that the part of proletarian wisdom was to make an alliance with the liberal elements of the bourgeoisie, soon to become Russia's capitalist class, since such an alliance might mitigate the severity of the capitalistic era as they had observed it in western Europe.

The Bolsheviks, or majority, led by Lenin, admitted that Russia had not completed the capitalistic period, but they maintained that it was possible for the country to pass at once into the socialist era. According to the later group, the proletariat should keep its hands clean of all entangling alliances with the bourgeoisie.

The two groups, each basing its predictions on what was called a "strict interpretation" of the Marxian analysis of history, arrived at opposite conclusions as to the tactics proper for the proletariat in the grave days of March, 1917. The Bolsheviks, when in control of the government later on, became the Communist party. All of these political controversies and divisions were reflected by dissensions in the trade union ranks.

The March Revolution. With very little warning the March revolution broke out with a strike led by Petrograd workers and soldiers, organized in the Petrograd Soviet. Similar councils of workers, or soviets, sprang into life with amazing rapidity, not only in the large industrial centers but in the provincial towns as well. They were not unlike the organizations on a smaller scale which had appeared in 1905. These soviets were in many cases the inaugurators of the new trade unions.

Able now to work in the open, the unions began to extend their organization. Councils of trade unions were formed in both Moscow and Petrograd in March, and as organization proceeded in the various industries, interunion bodies, at first called central bureaus, were

formed in the industrial centers. The soviets worked closely with the unions and in some instances served as substitutes for them.

In the meantime the Provisional government was formed, mainly from members of the Fourth Duma, which was composed for the most part of the bourgeoisie. This government had the support of the Mensheviks. The division of power between the central government and the soviets, which were local units, rendered difficult the prosecution of the war, to which the soviets were opposed.

In every industry the soviets made demands for increased pay and shorter hours and set up disputes committees and labor exchanges. In April, 82 soviets were represented in the first soviet conference held in Petrograd. A resolution was passed urging the workers to build up trade unions and as soon as possible to convene a national conference of trade unions. This was done in June, when the Third Trade Union Conference met in Petrograd, following in succession the conferences of 1905 and 1906. This Third Conference was much larger and more widely representative than the earlier ones. It was composed of 220 delegates from 967 local unions and 51 central bureaus and represented a total individual membership of nearly a million and a half workers.

In order to measure the subsequent swing of the trade unions to the left, it is necessary to note the strength of the moderates in this first real assemblage of trade unionists from all over Russia. Sharp division among the delegates arose over three important questions. These were: (1) the war and foreign relations; (2) affiliation with the liberal Russian bourgeoisie; and (3) the scheme to be adopted for workers' control in industry. The right wing with the Mensheviks and the majority of the Social Revolutionaries made up a large majority of the conference, outvoting resolutions of the Bolsheviks for ending the war, for opposition to class conciliation, and for establishing workers' control of industry. Resolutions did pass advocating higher taxation of profits, standardization of prices, and state control of important industries and banks, but it was declared that: "The process of control is too difficult and complicated for the proletariat to undertake the entire or even the greater part of this control."

This position was later completely reversed by the Bolshevik ascendancy. The outstanding permanent results of the conference were a greater coherence for the trade union movement gained by the formulation of standards and programs and, most important of all, by the establishment of the All-Russian Council of Trade Unions which became the body for directing the whole movement and for sharing in the reorganization of the industries of the country.

The vast machinery of Russian trade and commerce, at first para-

lyzed by the March revolution, now began to marshal its resources to meet the opposition of labor. Associations of manufacturers and bankers, syndicat and trust organizations joined forces in a battle to recover some of the lost territory. They determined to use every means to do away with the factory committees which were chiefly objectionable in their insistence upon the right to appoint and dismiss workers, but they intended also to bring to an end all the other revolutionary changes which had already altered the routine of the factories, including the eight-hour day, the wage increases, and the insurance funds. The method which the employers' organizations found most effective for this purpose was one which inflamed the workers, still flushed with the first taste of power. It was the institution of a gigantic lock-out. Throughout the summer of 1917 the struggle was intense and locally often a losing one for the workers, so that now and again the employers were convinced that the worst of the revolution was over. But toward autumn the issues sharpened. The tide turned for the workers when the long struggle between the Leather Workers' Union and the Leather Manufacturers' Association, which had been going on in many factories, ended by the driving of the employers from their plants and the taking over of production by factory committees.

The Provisional government seemed powerless to bring about domestic peace. Its efforts were regarded with suspicion by the workers, and the unions and the factory committees formed Red Guards which now aimed at the defeat of the government as well as the protection of the factories of which they were in possession.

The November Revolution. The November revolution was a victory heralded by the old slogan "All power to the Soviets" which had long been the rallying cry of the Bolsheviki. With the capture of Kerensky's Democratic Conference the Bolsheviki determined to end the dual control without delay. The All-Russian Council of Soviets accordingly elected a Council of People's Commissaries and inaugurated the Russian Socialist Federal Soviet Republic.

In the early stages of Bolshevik ascendancy, membership in trade unions was practically compulsory, although organization was not completely established in many industries. The unions served political as well as economic ends. For a time there was an almost complete merging of the trade unions with the military revolutionary committees. The unions were represented on all of these committees and the trade union headquarters were used by the revolutionary troops.

Not all of the trade unions, however, wished success for the November revolution. Those who opposed it included the commercial and bank employees, and the office staff and higher officials of the railway and telegraph workers. The Provisional government had also on its side

the printers, called the only purely proletarian union standing against the revolution. They claimed that their position was determined by their desire for freedom of the press.

The fight was by no means over with the proclamation of the new government. The stop-work or sabotage policy of the government officials of the older régime and of the commercial employees' unions proved difficult to combat. The appearance of an official of the new soviet government to take control was an effective signal for a strike. This brought up the question of the legitimacy of the strike when the working class was in power. In November the Moscow Council of Trade Unions ruled on this point:

While a proletarian government is in power, a political strike is to be considered as sabotage against which the most determined measures must be taken. To take the place of workers refusing to work for that reason is not blacklegging, but a means of fighting sabotage and revolution.

And in a similar effort to prevent strikes the Petrograd Council of Trade Unions proposed:

That all economic and political strikes immediately cease and everybody commence work and carry it on in complete order.

Workers' Control and Problems of Administration. When workers' control was inaugurated the old management was usually left to function but a guard was placed over it in the form of a special control commission elected by the workers. Now that the revolution was an accomplished fact, the trade unions were suddenly confronted with the necessity of a practical plan for labor control. In many places the workers, inexperienced in management, drove the owners away and took over the plants, and in so doing threatened the disorganization of the great national industries. The trade unions declared themselves opposed to this method. They claimed that:

The factories and works are the property of the working class as a whole and not the property of the workers of a given factory, and for that reason workers should under no circumstances assume ownership of any factory.

Workers' control naturally came up for major attention at the First All-Russian Congress of Trade Unions which met in 1918, having been duly summoned by the All-Russian Council of Trade Unions. This congress was feeling its way towards some administrative machinery adequate for industry on a national basis. It declared that:

Workers' control is inseparably connected with the general system of regulation of national economy, that it is the basis of state regulation, that the unions must carry out the idea of centralized workers' control and the merging of the small controlling units into larger organs which correspond to the modern methods of production as well as the actual structure of labor organizations.

This expression of the problem raises the fundamental question of the relation of the trade unions to the actual organs of government. The rather extensive literature on what that relation *should* be does not shed much light on the plans adopted.

With regard to the relationship between the trade unions and the soviet government, the congress resolved that:

The trade unions must give their entire support to the policy of the Socialist Soviet Government as conducted by the Council of the People's Commissaries.

It further expressed itself in favor of "the close coöperation and inseparable connection" between the trade unions and the proletarian political organization. This action was not taken, however, without protest by a dissenting minority. Not once but many times the Mensheviks took the floor at trade union congresses to demand an independent sphere of action for the trade unions. The answer always was that independence could have no meaning or importance unless the government was in the hands of the bourgeoisie. The clerks, bank employees, civil servants, and printers remained insistent for independence, and again a line was drawn between "proletarian" and other unions.

The Communist party, at its Ninth Congress in March of 1920, faced within its own ranks an organized "labor opposition" with a definite program for freeing labor from state control and for the recognition of organized labor in the conduct of industry. This faction claimed that the governmentalization of industry had proceeded to a danger point. The congress voted down the opposition but it appeared again at the Tenth Congress in 1921, when drastic steps were taken to maintain party discipline. Expulsion from the party was made the penalty for discussing the program and some of the more important leaders were imprisoned. However, it was apparent that a new basis would have to be adopted to bring the trade unions into line, a proceeding also made necessary by the adoption of the new economic policy.

Trade Unions under the New Economic Policy. Drastic methods, found necessary to revive the paralyzed industries of the country, were adopted with the new economic policy dating from the spring of 1921. Private trading and manufacture for profit, forbidden under the communist régime, were again resorted to in order to stimulate industry and save the nation from economic ruin. By this retreat from the program of communism it was hoped to attract much-needed capital and make available new markets for goods.

Naturally the reappearance of the individual employer put the trade unions back on somewhat the old basis. Their existence up to

this time had been anomalous. Lenin had told the Third All-Russian Congress of Trade Unions that, though useful in bringing on the revolution, theoretically unions were obsolete when communism was achieved. But when the stage was set for the reëtrance of the capitalist-employer the rôle of the trade unions was clear again. The safeguards of extensive state regulation of working conditions proved insufficient protection. Strikes again became a possibility and made necessary the organization of the unions as fighting units.

The Central Committee of the Communist party appointed Lenin, Rudsyutak, and Andreyev to present a plan for the revision of the government policy toward the unions. This report was submitted to the All-Russian Council of Trade Unions and approved. It consequently came to be the new basis for labor regulation in Russia. It is the basis accepted in the Labor code of 1922.

The Labor code assigns to the trade unions important functions in the administration of the law. The All-Russian Council of Trade Unions is designated as the agency for fixing the terms of the collective agreements, the name given to the contracts of the unions with the employers. The Council works with the Commissariat for Labor and assists it in enforcing the code requirements regarding wages, hours, and other conditions of employment. The unions have further important rôles by representation on the disputes committees and labor exchanges and throughout the whole machinery of the Commissariat for Labor.

Thus the Russian unions are accorded by law a definite sphere of control in industry. This contrasts with the situation in other European countries and in America, where trade agreements are found only in those industries and services where strong unions have been built up, where only a limited number of employees are covered, and where, with only rare exceptions, the agreements, unlike the Russian, do not include guarantees of continuous pay, insurance features, and control over hiring and dismissal. Moreover, the Russian agreements have behind them the code with its basic requirements which apply to "all persons working for hire." It is true that there are many instances in Russia today of collective agreements not working satisfactorily and of enterprises where the agreements are not yet drawn, yet the status of the union is clearly fixed by legal definition, which makes it the instrument empowered to protect the interests of the workers.

The unions have insisted that the exercise of this function shall be free from interference even by organs of the state. As early as the Second Trade Union Congress they declared that the Commissariat for Labor was really subordinate to the trade unions and that compulsory regulations issued by it were first to have the approval of the

All-Russian Council of Trade Unions. The code stipulates that the collective agreements shall be drawn up "with the Commissariat for Labor" where copies of all agreements must be filed, and also that the discretionary powers shall be exercised jointly by the Commissariat and the Council. Trade union representation in the Commissariat makes agreement easy in practice.

But in addition to the function of guaranteeing to the workers wages, hours, and working conditions, the trade unions also claimed a responsible part in the actual conduct of industry. This claim has not fared as well. Lenin's position, as given in a speech delivered in 1920, was that "the trade unions must take part in economic administration, as that is the foundation of our program, but it is sufficient for them to put forth candidates." Just where the line was to be drawn remained for a long time an unsettled, and to a large extent a political, question.

Although old political and theoretical differences and strong party affiliations explain much of the friction between the trade unions and the government, it would be an error to attribute all of it to this source. The government has continually adopted new policies to meet new emergencies and these have called for correspondingly new functions for the trade unions, many of which have proved difficult. A glance at the more important changes will be sufficient to illustrate.

Immediately upon taking the government, the Bolsheviks began the process of the nationalization of industry, so that by 1918 it was estimated that a third of the industrial enterprises had been taken over by the state. From the first a policy of extreme regulation was followed. In the matter of wages, the first basis was one of approximate equalization (December, 1917). Six months later payment in kind was inaugurated. This became general in 1919 and was regulated by numerous official decrees. Next, there was introduced a system of premiums paid to the workers in the articles produced, in order to stimulate production, and finally came the entire change of wage payment with the new economic policy and denationalization. Compulsory work was likewise the subject of an early decree, and with enforced labor vanished the right to strike, the oldest and most powerful of the weapons of trade unionism. But it was not long before unemployment stalked the land and compulsory work was again subject to revision. This succession of administrative changes in the past precluded easy working relationships.

Something like a real solution of the problem of control has been worked out practically since the adoption of the new economic policy along two lines: (1) by reserving for the trade unions the function of the protection of labor and for the soviet organs the actual con-

duct of industry through the trusts and syndicates now being built up. With regard to the latter, it is a matter of "hands off" for the unions. "Any direct interference of the labor unions in the conduct of industry must be considered detrimental and under no conditions permissible," as stated in the regulations; (2) by providing in every possible way for trade union leadership which understands and is sympathetic with communism. This has the advantages of the mechanical device known as interlocking directorships. For instance, Michael Tomskey, elected in 1918 to the Presidium of the All-Russian Council of Trade Unions and now secretary of the Council, has been on the Central Committee of the Communist party since 1919, and Abraham Lozovsky, a member of the Executive Committee of the All-Russian Council of Trade Unions has been a member of the Communist party since 1917 and was selected to arrange for and call the first Red International of Trade Unions. Membership in the trade union congresses has become more and more communist since the Conference in 1917, when only a little more than a third were Bolshevik or Bolshevik sympathizers. By 1920 more than two thirds belonged in this classification. The Mensheviks and the Social Revolutionaries looked for their day with the introduction of the new economic policy, but in June, 1922, nearly three quarters (74.2 per cent) of the 2,000 elected workers of the central committees, district bureaus, and district trade councils were communists.

In this connection it should be remembered that while there are undoubtedly trade union members opposed to the program of the Russian Communist party, there are no unions standing outside and unaffiliated with the general trade union movement, as in other countries, and on this account it has greater coherence.

The Structure of the Unions. The structure of Russian trade unions is industrial. Membership is in each case determined by the industry to which the worker belongs and it matters not whether he is skilled or unskilled, whether he works by hand or brain. The Third Trade Union Congress (1920) grouped all the organized workers of Russia into 23 industrial unions.¹

1. Employees and workers in the sanitary service,
2. Transport workers,
3. Miners,
4. Wood workers,
5. Land and forest workers,
6. Art workers,
7. Workers on public feeding and housing,
8. Leather workers,
9. Metal workers,
10. Workers and employees in communal service (drains, water supply, militia, fire, lighting, laundry, etc.),
11. Workers in education and socialist culture,
12. Employees in public communication (post, telegraph, telephone, radio),

These unions are similar in organization. The starting point is: (1) the factory committee from which the life of the whole structure is drawn. These factory committees are elected by the workers in each factory. Primarily they receive complaints, keep a record of production, and oversee generally the work relationships. But they function also in the organization of the social and educational life of the workers and in providing for their physical and cultural needs. In some cases they have undertaken the housing problem and the establishment of crèches. The factory committees of a given district (or *uyesd*) make up the (2) branches of the union, and representatives from all the branches in a given department (*gubernia*) constitute the (3) provincial departments of the union. These departments are under the (4) central committee of the union and the central committees are all under the All-Russian Council of Trade Unions. The transverse organs of the trade union movement are: (1) the bureaus in which the branches of the different unions are brought together under a single secretariat; (2) the councils, made up of representatives from the provincial departments; and, at the center, (3) the All-Russian Council of Trade Unions, the executive of which is elected by the (4) All-Russian Congress of trade unions, composed of members from the 23 industrial unions in the proportion of one for every fifty thousand members.

Membership. By official count, 90 per cent of all the workers in trade and industry were trade union members in the summer of 1923.³ The new economic policy made membership in trade unions voluntary. It is difficult to estimate just how the enrolled membership was affected by this as the reports are not explicit on the point. It is contended that:

Membership in Russian trade unions was never legally compulsory, but in practice the resolution on this subject adopted by the Second Trade Union Congress was distorted and in many localities compulsory recruitment of all workers and employees of factories and institutions was resorted to. Under such conditions it was feared that workers tended to regard their unions as part of the administrative machine and lost interest in them.⁴

13. Printers,
14. Workers in the paper industry,
15. Workers in the food industry,
16. Builders,
17. Workers in the sugar industry,
18. Soviet employees (in coöperatives, shops, commissariats),
19. Tobacco workers,
20. Textile workers,
21. Chemical workers,
22. Workers in the clothing industry,
23. Employees in taxation, finance, and control departments.

³*Russian Information and Review*, vol. III (July 7, 1923), p. 8.

⁴*Ibid.*, vol. II (Oct. 7, 1922), p. 7.

This insistence upon the voluntary character of membership is perhaps fine-spun, since all workers, whether members or not, were required to pay membership fees.¹ On February 15, 1922, the All-Russian Council of Trade Unions voted to take a "complete re-registration of the members of every union, at the same time making it clear to every worker that membership was entirely voluntary." A campaign was carried on which lasted until June, by means of which it was found that "the loss in membership did not exceed ten per cent." The conclusion was that the workers had learned the value of the unions for their own protection and realized that with the reintroduction of private enterprise the need for them would be greater than ever. Further comments were to the effect that:

The majority of those who did not join belonged to the class of intellectual workers. Undoubtedly these latter felt that their interests were not especially catered for in the general industrial unions; this difficulty has been removed by the formation of special sections within the unions. Thus in December, at the All-Russian Congress of Engineers, at which all classes of engineers (mechanics) were represented, it was decided to coördinate the various existing sections of engineers by forming inter-sectional bureaus.

Official reports show that by January, 1923, actual membership had fallen to 5,500,000, as compared with 8,000,000 in May, 1921.² It would appear that a very large percentage of the trade union membership has been unemployed since the inauguration of the new economic policy. In June, 1923, the Moscow Provincial Trade Union Council, perhaps the most active and important of the provincial councils, claimed only 650,000 members in the unions represented.³ It must be added that statistics of membership are not yet available in sufficient detail to give a satisfactory basis for conclusions.

The Payment of Wages. As soon as the Labor code of 1922 was issued, the trade unions began a campaign to make its provisions known among the workers. This general information was regarded as the surest way of getting into effect the minima specified in the code and as a basis for raising standards through collective agreements. Demands for wage increases were made very generally. Some substantial results were obtained, but it is difficult to gauge the importance of the unions' activities in this connection. It may be said that for the first time the trade unions have the government on their side, but against them is the country's economic condition as a result of war, blockade, and famine. In spite of these odds, it is maintained that

¹Abraham Lozovsky, "The New Economic Policy and the Trade Unions," *Survey*, vol. XLIX (March 1, 1923), p. 706.

²*Russian Information and Review*, vol. III (July 7, 1923), p. 8.

³*Ibid.*, vol. II (Jan. 27, 1923), p. 265.

⁴*Ibid.*, vol. II (June 2, 1923), p. 536.

"the practice of collective agreements has resulted in an improvement in the level of wages throughout the whole of Russian industry."

Published figures show that the workers, with the possible exception of the food workers, are still far behind the pre-war level. The wages of metal workers, though steadily improving, are only half what they were and remain, as compared with their former status, the worst off in the groups reported on.⁹

In the official explanation of the differences in the pay of the various groups of workers it is admitted that the inequality in rate is due first of all to differences in the relative improvement of the industries. The light industries have found a ready market for their products which has made it possible to recover fairly quickly, while the heavy industries, with their requirements of vast capital, still languish, continually hoping to attract foreign credit. A way of evening up the rates which was seriously discussed at the end of 1922 was a return to government regulation of wages by requiring the approval of the Commissariat for Finance and the Commissariat for Labor for the wages fixed in collective agreements. This would enable the government to supervise a decrease or at least a check on wage increases in the flourishing industries, which might then be taxed in order to subsidize the heavy industries. Since the heavy industries are still worked mainly by the state, it happens that it is the government employees whose earnings lag behind the others and call most insistently for adjustment by the unions. Taking the wages of January, 1922, as 100, the following increases had been reached by July of that year:¹⁰

Industry	185.9
Transport	181.6
Soviet workers	125.2

The Fifth All-Russian Congress of Trade Unions, which met in September, 1922, voted for the abolition of wages in kind. By the beginning of 1923, 85 per cent of the wages in Moscow and 76.5 per cent of the wages in Petrograd were paid in money. A year previous the money wage had been only 37 per cent of the total.¹¹

⁹AVERAGE MONTHLY WAGES IN 1922 AS PERCENTAGES OF THE PURCHASING POWER OF THE 1913 WAGES

	Jan.	June	July	Aug.
Metal workers	23	39	43	50
Textile workers	46	52	52	59
Chemical workers	35	56	60	63
Food workers	78	92	90	119
Printers	50	66	63	83

From *Russian Information and Review*, vol. II (Dec. 23, 1922), p. 184.

¹⁰*Ibid.*, vol. II, (Jan. 27, 1923) p. 265.

¹¹*Ibid.*, p. 266.

Naturally the fall of the rouble has presented one of the most difficult problems for wages paid in money. This has been partly met by the creation of the "goods rouble," designed to guarantee the worker against a fall in real wages and similar in concept to the idea of the commodity dollar. The State Economic Planning Commission (the Gosplan) inquires into the budgets of workers and the cost of goods in roubles is periodically ascertained. The unions aim to make collective agreements in terms of "goods roubles." In June, 1923, it was reported that 43 per cent of the wage agreements of the leather workers were made in "goods roubles" and also the greatest number of those of municipal workers.²³

The Right to Strike. Strikes have accompanied the process of maintaining wage standards in Russia just as in other countries. Some of these have occurred in the nationalized industries. The Fifth All-Russian Congress of Trade Unions declared in September, 1922:

The right to strike exists in principle both in private and state undertakings. It is recommended, however, that it should only be exercised as a last resort, after all methods of conciliation have failed.

There were reported to the Congress 102 strikes involving 43,000 workers during the first eight months of the year." Abraham Lozovsky, of pronounced communist sympathy, clearly justifies the strike method, even in state enterprises. Writing for the Russian number of the *Survey* in March, 1923, he said:

Yet in spite of the fact that the Russian proletariat has at its disposal weapons not possessed by the workers of other lands, the Communist looks upon freedom to strike as the strongest weapon in the arsenal of the workers....In so far as state enterprises have become commercialized....the trade unions have resumed their normal function of protecting the interests of the workers also, if need be, against the state as employer.....In Russia, owing to certain conditions, the soviet state suffers from shortcomings and bureaucratic perversions against which the working class may well fight by means of strikes.....conflicts between the economic organs and the trade unions are, of course quite possible, and in so far as such conflicts will arise, they will have to be solved by special organs and bodies; if they are not solved by peaceful means, direct action by the unions against various organs of the state is not out of the question.

Present Problems. It is safe to assume that trade unionism still has a long lease of life in Soviet Russia. Identified as it is with the political organization of the country, it is nevertheless distinct. It is the means of expression for the interests of the workers as *producers* in contrast with (sometimes in opposition to) the interests

²³*Russian Information and Review*, vol. II (June 16, 1923), pp. 567, 568.

²⁴*Ibid.*, vol. II (June 30, 1923), p. 602. In June, 1923, the International Labor Office gave out figures showing a total of 123,537 workers involved in the first nine months of 1922 and stated that industrial disputes had increased as the year progressed.

of the people as *consumers*, organized in the soviets. The unions have stopped far short of the powers and responsibilities in production assigned to the guilds in the theoretical structure of English guild socialism for example, but they do definitely serve the interests of the workers in the organization of an actual socialist state. For this reason they will continue to exist until those interests are served in some other way.

The future depends upon the solution of many and serious problems, some of which belong primarily to the prevailing economic conditions while others are more directly involved in the working out of the political government. In the first group belongs the continued depression of the workers' standard of living. The low wage scales have been discussed at some length. Unemployment has been general. Large percentages of the workers registered in the labor exchanges are reported idle. In February, 1923, the workers unemployed in Petrograd reached 23 per cent of the total and in Moscow and Moscow District, 25 per cent.⁴ The trade unions, "working in conjunction with the Commissariat for Labor and the government departments and local authorities concerned" play an important rôle in the excellent relief measures which are being carried on. The unemployment insurance schemes bear the impress of the most advanced thought on methods of unemployment relief, but they have only recently been introduced and the benefits are pitifully small even when supplemented by the mutual aid funds of the trade unions. The undercapitalized Russian industries are even less able than those of other countries to carry unemployment as a charge in such a way as to guarantee uninterrupted income to the workers.

Few things are more fundamental for the success of those who would make themselves responsible for continuous work and continuous income than an understanding of the part of capital in modern industrial organization. To many trade unionists the rôle has been obscured by the fact that the slow accumulation of capital goods has taken place under a form of capital ownership identified with abuse, with the prostitution of the interests of the workers by the greed of the profit taker. The problem of the Russian experiment is not only to secure capital for the improvised industries but to provide for the growth of capital on a scale which can keep pace with the need for it in industries which must support an increasing population with a rising standard of living.

In connection with the political structure and the political policy, Russian trade unions have important problems which they have not squarely faced. First among these is the antagonism between the

⁴*Russian Information and Review*, vol. II (June 23, 1923), p. 583.

peasants and the industrial workers. The peasants were won over to the Bolsheviks by land concessions but there has never been a real alliance and the peasants continue to be the despair of the communists and the trade unionists. They have not unreasonably resented the taxation measures which have pressed much more heavily upon agriculture than upon industry and which have been out of all proportion to the public expenditures made for agriculture. Their lack of coöperation in the communist program is attributed to their isolation and to their individualist psychology, and they have been made the object of special educational propaganda, without the desired results.

The roots of the opposition should now be probed. They are deeper than they are ordinarily understood to be, for they are to be found in the far-reaching differences of economic interest between the peasant and the factory worker. The peasant desires high prices for his agricultural products. But these same products form the largest item in the budget of the factory worker who is struggling against the high cost of living. The factory worker desires high prices for manufactured products from the sale of which his wages are to be derived. Here is a diversity of interest and a class struggle which apparently has a permanence that has outlived the struggle between the proletariat and the bourgeoisie. Yet its significance has been missed in Russia because of the general preoccupation with a more well-known formula.

Lenin, one of the few who have realized the seriousness of the problem, stated it as follows in a speech before the Third All-Russian Congress of Trade Unions in 1920:

The interests of the workers and the peasants do not coincide. We are faced with a difficult period. We are also confronted with a moral problem—to prove to the peasantry that there is no alternative—that they are either definitely with the workers, assisting the proletariat, or they return to their old condition.

Earlier in the same speech, Lenin had said:

We are conducting a class struggle and our aim is to abolish classes; so long as there still exist two classes, those of peasants and workers, socialism cannot be realized, and an irreconcilable struggle goes on incessantly. The chief problem is how under the conditions when one class is carrying on the struggle, to attract the laboring peasantry, to defeat or to neutralize it or to crush its resistance with the aid of a strong government apparatus involving all of the measures of compulsion.

The real solution will put the emphasis on the actual character of the opposing interests. It is not a solution to remind the peasants that their status was formerly worse. They are interested in their present status, as compared with that of the industrial workers. Nor would it be a solution to deprive them of the land, so that they would

no longer be "half workers, half owners." That step would not reach the heart of the problem. Factory workers, for instance, no longer own tools, but they are still dependent for their income upon the sale of the product made by the tools, and recognize the fact that their interests are affected by the conditions under which the sale of the product is made. The clash of interests is more fundamental than the question of ownership.

Other antagonisms are repeatedly coming to the surface. They spring up between groups of workers in the same industry, as is shown by the classification of "proletarian" and other workers; between groups of workers in different industries; and between workers in a particular industry and the large group of consumers. It is at this point that the political philosophy and the economic tenets employed need illumination and reformation. The ghost of the state may be laid ever so magnificently in communist literature, but it will walk again in the organized resistance of the whole body of consumers.

Illustrations of these antagonisms have recently been put before American readers in Mr. Savel Zimand's informal account of conferences between Bugdanoff, Commissar of the Supreme Council of Public Economy, and trade union representatives. The Commissar is reported to have said:

Some trade representatives demand that the workers in the whole nation should be paid uniform wages. That is impossible. For unskilled labor, yes, but for skilled labor, no! It must depend on whether the individual factory pays or not. If the plant has a large deficit it is really impossible to pay a skilled worker employed in it the same wage as a worker in another factory which produces well. Moreover, it is not right for the representatives of a trade union to make such a demand as that which was made by a trade union representative of Boguslavsky. . . . that by the 26th of September wages should be raised, otherwise they would strike. Workers in a soviet republic should not make such demands.

Another source of difficulty is the jealousy with which the districts regard one another. The reports of a conference on the Ural industries, for instance, as quoted by the same writer, show the vigor with which the contests for coal and rails are conducted by the representatives of the Ural and the Donetz areas.

The failure to analyze problems and the failure to define and to distinguish clearly the functions of the organs of government and the trade union bodies is not due to a failure in frankness as to the existing state of affairs. Though the reader of the official literature may sometimes have the impression that the wish is father to the thought in the generalizations made, he is more often impressed by the amazing frankness in the reporting of actual conditions. There is little or

"Savel Zimand, "Labor's Task Where Labor Rules," *Survey*, vol. XLIX (March 1, 1923), p. 722.

no attempt to make the circumstances appear better than they are or to belittle the magnitude of the tasks ahead. In this recognition of the difficulties present and in the rare optimism which has endured through years of revolution and famine, the real promise for the final accomplishment of the tasks which face labor in Soviet Russia is to be found.

But no amount of optimism can take the place of a searching analysis of accumulating experience. The economic interpretation of history must be continued. If, instead of learning the lessons of the revolution, the workers' government looks for guidance solely to doctrines developed in the middle of the nineteenth century, the obstacles ahead will not be overcome.

AMY HEWES.

Mount Holyoke College.

HOBSON'S "ECONOMICS OF UNEMPLOYMENT"

Economic theories may be placed in four groups according to the remedies proposed for unemployment and business depression, as follows: (1) reduction of wages, (2) reduction of profits, rent and interest, (3) free banking, and (4) bank regulation. Each of these proposed remedies goes back to one of four factors in the modern economic process which the particular group sets forth as its most important factor, though all of them are essential to the process. These factors are, in the order of the remedies mentioned: (1) the production and consumption of goods, (2) inequality of private ownership of the goods, (3) exchange and alienation of titles to the goods, and (4) the promises of banks and business men to deliver goods or pay an equivalent value in the future. Starting out with one of these factors as the most important, each group develops the implications of that factor and thus arrives at one of the four types of remedies.

The production and consumption group, with its remedy of wage reduction, begins with Ricardo, followed by the assemblage of those who find their explanations of business depressions in the natural or unavoidable operations of demand and supply under the influence of costs of production, and may be known as the classical, neo-classical, laissez-faire, or business economists.

The inequality-of-ownership group of theorists, with their remedy of reduction or elimination of the rents, profits, and interest that arise from inequalities of private property, have, as their outstanding economist, Karl Marx, followed by the entire socialistic school, the leading modern representative of which, from the standpoint of economic theory, is J. A. Hobson.

The exchange and alienation theories, with their remedy of free banking or paper money, based on a concept of money as a kind of transferable title to property like a warehouse certificate, start with Proudhon and the anarchists and find their recent representatives in Major Douglas,² Henry Ford and Thomas Edison, who adhere to private property with its inequalities, but find their explanation of business depression in the arbitrary restriction of the supply of money by a bank monopoly of credit.

The bank regulation group, with its remedies of stabilization of prices, proceeds from McLeod and Juglar in the decade of the fifties, to Fisher, Cassel, Hawtrey and the more recent writers, Foster and

¹J. A. Hobson, *The Economics of Unemployment* (Macmillan Company, 1923). Page references in parentheses, unless otherwise designated, refer to this volume.

²C. H. Douglas, *Economic Democracy* (1920).

Catchings,' who find their explanations in the discrepancies between the production and consumption of goods and the promises of business men and banks to pay the prices of those goods in the future.

It must be remembered that modern economic theory originated not so much in the work of Adam Smith as in the debates between Ricardo, Malthus and their friends, respecting the condition of England after the Napoleonic wars. It is in the letters of Ricardo to Malthus (1813 to 1823) and in the *Principles of Political Economy* by Malthus (1821) which is evidently the reply of Malthus to Ricardo, that the modern theories of economics and the corresponding remedies for trade depression find their origin. Much of their discussion turned on the measure of value, and, as pointed out by Wieser and Whitaker, they did not clearly distinguish between a measure of value and a cause of value. A measure of value is an arbitrary unit, hit upon by custom and standardized by law, having a divisible attribute similar to that of the thing to be measured. But a "cause" of value may be found either in the costs of production or the wants of consumption, and Ricardo took the former while Malthus took the latter.

Ricardo, by his process of averaging, found that the labor cost was the essential cost both of money, the measure, and of commodities, the things measured, and that the values resulting from the same cause moved on in substantially parallel lines. This being so, money could be eliminated from economic theory, as well as the wants of consumption which are incommensurable and insatiable, and economic theory could be satisfied with the relative labor costs of production of commodities.

By eliminating money he eliminated what, for Malthus, were the most essential phenomena, namely the *changes* in values of commodities occurring in disastrous periodic cycles. But Malthus, while criticizing this elimination of money, nevertheless himself practically eliminated it by picturing money as the symbol of demand and resolving it into the effective demand of property owners for the products of labor. Money became, for each of them, a merely nominal value, while the real value back of money was in the field of production and consumption.

Hence they reached opposite conclusions as to the remedies for unemployment and business depression, each, however, in the field of production and consumption. Ricardo attributed the depression following the Napoleonic wars to the obstinate refusal of wage-earners to accept a reduction of real wages, which refusal made it impossible for employers to hire them and make a profit at the reduced exchange values then current for the products of labor.* But Malthus attrib-

*W. T. Foster, and Waddill Catchings, *Money* (1923).

*Letter to Malthus, July 21, 1821.

uted the depression to the refusal of property owners and governments to employ laborers on "unproductive" work; that is, upon work that did not come upon the competitive markets where it would reduce prices. For him, the depression was owing to the excessive stimulus previously given to production of competitive products, and this could be remedied or prevented only by such "unproductive" consumption as taxation for public highways and other public works and the "unproductive" consumption of landlords and wealthy people in the improvement of their estates and the employment of "menial" servants.

Ricardo was greatly alarmed at Malthus' proposal to increase taxes at the very time when business was depressed, and it will be seen that his remedy, the reduction of wages in order to stimulate profits, was exactly the opposite of Malthus' remedy, an increase in the demand for labor in order to stimulate consumption.

It was inevitable that, in course of time, the Malthusian remedy should take a different turn when expounded by spokesmen of the laborers. If unproductive consumption depended upon the will of property owners and governments it was a hopeless expedient. But if the laborers themselves became both property owners and government, then they could employ their resources directly in consumption and thus maintain the demand for labor. This was the turn taken by Marx whose use of the Ricardian theory of value was simply a metaphysical dress for a plan of substituting control of consumption by laborers for Malthus' control of consumption by governments and property owners. While, with Malthus, depressions were owing to overproduction and underconsumption by both property owners and governments, with Marx they were owing to overproduction by property owners and underconsumption by laborers.

The modern representative of this view, eliminating the superfluous and untenable Ricardo-Marxian theory of value, is J. A. Hobson in his *Economics of Unemployment*. He starts with the idea of "a limited market," or lack of demand, common to all theories. His argument, differing from that of Marx, turns on the periodicity, or cyclical occurrence, of depression and unemployment. He rejects or minimizes the effects both of wars which merely dramatize the cycle (p. 15) and of credit which merely anticipates the expected failure of effective demand (p. 27). The key of the explanation is the failure of consumption. "The orthodox economist [that is, the Ricardian economist] is convinced that overproduction is impossible and that underconsumption is equally absurd." The economist confines his attention to the "stoppage of industry, which he rightly diagnoses as underproduction. . . . But this state is the product of an excessive activity preceding it. Overproduction, congestion, stoppage, is the visible order of events" (pp. 31, 32).

The question, then, is "why does consumption fail to keep pace with increased powers of production? Or, conversely, why do the powers of production increase faster than the rate of consumption?" (p. 32). The explanation is "the normal tendency to save a larger proportion of income than can effectively and continuously function as capital" (p. 35). This is due to "conservatism in the arts of consumption" and "inequalities in the distribution of income." The income of the wealthy is greater than they can consume, according to their standards. So far the explanation is exactly Malthusian. The next sentence makes it Marxian: "Any approximation towards equality of incomes would reduce the proportion of income saved to income spent" (p. 37).

Mr. Hobson hastens to explain that by oversaving he means "solely the proportion of saving to spending," and not "any fixed limit to the amount that can be serviceably saved" (p. 37). And he then contrasts what may be distinguished as the space and time dimensions of the economic proportioning of factors: "Just as waste of productive power admittedly occurs by misapplication of capital, skill, and labor, as between one trade and another, or one area of investment and another (too much applied here, too little there), so income as a whole may be wastefully applied as between purchase of commodities and purchase of new capital goods. . . . In other words, consumption is the final link in a chain of economic processes, each of which should be kept in accurate proportion to the preceding ones, unless stoppage and waste are to occur" (pp. 37, 38).

The "orthodox economist" objects that "the natural result of a process of equalization of incomes" would be "undersaving," in the sense of "a refusal to save enough to realize the enlargements and improvements of the machinery of production that are required to furnish a larger output of commodities for a higher standard of a growing population." He meets this objection by distinguishing between a large proportion of a small income and a small proportion of a large income. The total national income would be greatly increased if labor and capital were continuously employed. "Under such circumstances, although a smaller proportion of the larger income might be saved, and a larger proportion consumed, the actual amount of saving might be as large as or even larger than before, and, being more fully utilized as capital, might maintain as high a rate of economic progress as before" (p. 40).

The solution, then, resolves itself to this: equalization of incomes will have a double effect—it will increase the total production by keeping labor and capital continuously and fully employed, and it will maintain an accurate proportion between saving for future con-

sumption and spending for present consumption, so that there will be neither oversaving nor undersaving.

Evidently Hobson has stated correctly what is wanted and what is agreed to by all of the four types of theorists, namely, continuous full employment and not too much nor too little saving. The question turns not only on the remedy of equalization of incomes, but especially upon the mechanism by means of which the remedy will operate. Karl Marx and Lenin provided definitely a mechanism. If the state takes over the management of all industry, thereby fixing wages, prices and jobs, evidently it can perform the process of "saving" by merely detailing a certain proportion of laborers to the production of machinery, buildings, railroads, and so on, another proportion to the production of raw material and manufactured goods, another proportion to the wholesaling and storage of goods, another proportion to the retailing of goods. This mechanism would doubtless break down under democratic control, but might continue under a successful dictatorship.

Hobson's mechanism also calls for a thoroughgoing action of government in all lines of industry: an obligatory minimum wage in all employments, government ownership or at least control of wages, prices and other conditions, and taxation of surplus earnings (p. 115). These governmental remedies, we may agree, are advisable, insofar as practicable, as remedies for the inequalities of income, but not for the kind of oversaving that grows out of the fluctuations of prosperity and depression.

The present methods of capitalism provide a definite mechanism for savings, not dependent upon the will of individuals or wisdom of governments. Henry Ford, the Standard Oil Company, the U. S. Steel Corporation and others large and small, build up the equipment of industry out of the margin between the costs of labor and the prices charged to consumers. It is, indeed, a kind of dictatorship, through private property, in that it is effective because the laborers and consumers have no voice in raising wages and reducing prices. When the government starts in to dictate wages and prices, the railroads, for example, have great difficulty in obtaining enough capital for extensions. Savings are very largely a matter of wage and price fixing and there is a capitalistic mechanism based on private property and dominated by competition and fear of bankruptcy that practically forces savings to be made. However badly the mechanism works, it is an automatic mechanism that does not depend either upon the wisdom of government or upon admonitions as to how or how much a person ought or ought not to save or spend his income after he gets it, in order to furnish continuous employment by not oversaving or under-

saving. The mechanism actually fixes his income before he gets it, and one of the factors in the mechanism that fixes that income is the necessity and foresight of saving for extensions, improvement of plant and insurance against accident, contingencies, loss of markets, fluctuations in prices, and bankruptcy. Saving is not optional; it is compelled in order successfully to work the mechanism of private property.

Yet Hobson's criticism of the complacent arguments which the business economists used in denying any possibility of evil in the capitalistic mechanism of saving is sound. Oversaving, they said, was impossible, because any tendency to it was corrected by a falling rate of interest; and overproduction was impossible because any tendency to it was corrected by a fall of prices stimulating increased consumption. Admitting these checks, replies Hobson, they are too slow in their operation as a preventive of overproduction and gluts. This is because new capital added each year is such a small fraction of the total capital—only 5 to 6 per cent—and because a change in the rate of interest does not affect materially the inducement to save even that small fraction (pp. 51, 52).

It certainly also can be said that Hobson's governmental remedies of minimum wage, price fixing and taxation are too slow to prevent overproduction and gluts.

But Hobson's principal criticism of the business economists is that their remedy of reduction of wages in time of depression overlooks the preceding lag of wages in time of prosperity. And it is in this preceding lag of wages that Hobson finds both the incapacity of consumers to purchase products and the oversaving and overconstruction of plant by capitalists which makes "towards a rate of production visibly greater than is able to find a profitable market" (p. 68).

It is by introducing this modern notion of "wage-lag" that Hobson separates himself from both the Malthusian and the Marxian as well as the business explanation of depressions. The early socialist, anarchist, and classical explanations had no concept of a business cycle, an outstanding feature of which is the wage-lag. They did not distinguish between a cycle and a panic, or between a "trend" and a cycle. They pictured a crisis as an event accompanying a period of falling prices, owing to reduced costs of production through technical improvements, and the panic, or crisis, occurred therefore as a more dramatic slump in a downward trend of prices.⁵ This, we now know, is not the correct picture. The crisis occurs at the culmination of an upward movement, and, since the period of bank reform of 1844 in England and 1913 in America, the panic-and-crisis feature has been eliminated so that the cycle stands out more clearly than it did.

⁵Cf. Commons, McCracken and Zeuch, "Secular Trends and Business Cycles," *Review of Economic Statistics*, Oct., 1922, p. 8ff.

Hobson has the correct picture of the cycle, which preceding socialistic, anarchistic, and capitalistic theories did not have.

But this picture nullifies at once the theory of inequality of incomes as the "cause" of the depression or cycle. The inequality now becomes a *result* of rising prices and wage-lag, not of private property. It is "inequality," indeed, but it is a different kind of inequality. It is a periodic inequality rather than what Hobson would call the "normal" inequality of private property. If the general level of prices could conceivably be stabilized by banking and currency reform, then this kind of inequality would not occur at all. There would be no periodic rise of prices and no periodic wage-lag. The other kind of inequality—"normal inequality"—would continue.

This double meaning of "inequality" is really a confusion of the concept of "wealth and poverty" with that of "prosperity and depression." Wealth and poverty pertain to the *distribution* of existing income between classes and industries. Some are wealthy, others poverty-stricken. But "prosperity and depression" pertain to a fluctuating process over a period of time. At one time both the rich and the poor are fully employed—at another time both rich and poor are unemployed. There might conceivably be the greatest extremes of wealth and poverty, as in the case of the slave-holding states or of Germany at the present time, but no cycles of prosperity and depression. Everybody might be fully employed and business continuously profitable, and yet accompanied by the greatest conceivable inequality of incomes. And, conversely, there might conceivably be perfect equality of incomes accompanied by cycles of prosperity and depression, that is, of full employment and unemployment. This certainly would occur with Hobson's slow-acting governmental regulation of wages and prices and taxation of surplus incomes. Equalization of incomes is advisable for other reasons, but not as a remedy for cycles of prosperity and depression.

This brings us to the two other groups of remedies and theories, the alienation-of-title group and the bank-regulation group. Hobson devotes a chapter to each. The alienation-of-title group, in its modern form, is represented by Major Douglas. Its remedy has always been a large supply of money, issued, not by banks in the ordinary sense, but by the producers of commodities themselves, and then certified either by a mutual association of producers, as Proudhon proposed, or by an equivalent issue of government money, as Peter Cooper, the Greenbackers, and Thomas Edison proposed. Its theory is practically that of a warehouse-certificate concept of money whose transfer alienates the property, instead of an exchange-value concept of money whose expenditure purchases the property.

Hobson agrees with Douglas, as indeed all groups agree, on "the

failure of consumption, or effective demand, to keep pace with potential and actual consumption" (p. 119). But Douglas finds this failure in the refusal of those in possession of monetary power to purchase consumable goods because they prefer to apply it to buying non-consumable, that is, capital goods. This is a version of the doctrine of Proudhon and the paper-money theorists that there is not enough money in circulation to purchase the quantity of goods produced or producible by the existing amount of capital equipment. Douglas gives to the theory a novel turn by his analysis of costs in relation to the credit system. The money representing costs of production has been already spent as wages, salaries and dividends at the time of production, leaving only a small fraction to purchase the commodities themselves at the later date when they come on the market in consumable form. Douglas thus explains the lack of money in hands of consumers by the fact that bankers make their advances, not to consumers, but to manufacturers on factory account, overhead charges, purchase of raw material, wages, etc. They do not finance consumption—they finance production.

This is readily answered by Hobson in showing that it is not the wages paid for producing a particular commodity or in paying for its overhead, raw material, etc., that are used in purchasing that same commodity afterwards, but that it is the wages currently paid to other producers of other commodities. If all industries are moving on continuously, then, of course, the producers of machinery and buildings are purchasing the finished products of the producers of clothing and food. The defect is not in a disproportion of money to production and consumption, but in the disproportion of consumption to production through the lag of wages. There is money enough available for the actual process of production and consumption—the difficulty is in the process itself.

It is significant that Hobson does not criticize Douglas on the weak part of the anarchist and paper-money analysis, namely, its concept of money as a kind of warehouse certificate whose supply should not depend on gold or bank monopoly, but should be increased in similar proportion to the increased physical quantity of commodities. This is evidently because Hobson looks on fluctuations of prices mainly as a result of inequality of incomes and therefore overlooks the rise of prices that would accompany the Douglas plan. He agrees with Douglas on the "dangerous power" of the banks in calling in their money and refusing advances and thus stopping trade and causing unemployment and underproduction (p. 126), but he does not consider the preceding over-advances of credit with rising prices as an equally "dangerous power."

It is characteristic of Hobson and the school that bases its explana-

tion on the distribution of wealth that the modern banking system is significant, not as an appreciable factor in business cycles, but only as a new and large factor in the distribution of wealth and poverty (p. 108 *passim*). The "misuses and excesses" of commercial credit "exaggerate" the cyclical fluctuations, but the "normal" use of bank credit has little or no effect on the cycle. This was also the view of the classical economists. It is with Hobson again the lag of wages behind prices that is paramount, and hence the characteristic feature of bank credit, the changing ratio of bank credit to bank reserves, receives no mention whatever.

In contrast with Hobson may be set forth the recent book on *Money* by Foster and Catchings, representing the up-to-date theories of the bank-regulation group. I shall only briefly mention their main lines of argument without attempting to state the qualifications or cautions which they introduce. The earlier bank-regulation remedies of Juglar, McLeod and their followers attributed crises and depressions to the "misuse and excesses" of bank credit, just as Hobson attributes their "exaggeration" to that source. But Foster and Catchings attribute the cycle to the normal operation of bank credit. Money, with them, is the center of economic theory, instead of an afterthought, and they substantially agree with Hawtrey that the trade cycle is a purely monetary phenomenon (p. 12). After a brief discussion of the several functions of money (including bank credit), they settle upon the distinction between a "measure" of value and a "standard" of value, the latter being the central idea of the book. "When money is on a gold basis, it is a standard of purchasing power for one commodity and only one. As long as the gold basis is adequate, the power of money to purchase gold does not change. This is an advantage to dentists and goldsmiths. . . . for the purchasing of gold. But not for anything else" (p. 43). "A gold basis evidently does not stabilize the purchasing power of the superstructure of paper certificate and bank credit" (p. 46). Yet the preservation of the gold standard is essential. Only by admitting its instability as a standard of value and thus correcting the instability as far as possible, can sound money be preserved against the attacks of Douglas, Ford, and Edison (p. 52 *passim*).

Here, then, we return to the discussion of Ricardo and Malthus as to the proper measure of value. They debated whether the labor embodied in commodities or the labor commanded in exchange for commodities was a preferable standard of value. Now it is discovered that the index number of prices is the proper standard of value. The whole question of prosperity and depression turns out to be located in the field of mensuration, and not in that of production, consumption, private ownership or bank monopoly. Governments have not yet

adopted a standard uniform measure of value, the index number of prices, for the guidance of banks in issuing and withholding credit. Hence the volume of money, that is, bank credit, does not exactly correspond to the volume of trade, resulting in a general rise of prices by an oversupply of credit, followed by a general fall of prices when the reserve ratio has reached its limit of safety.

In line with this modern view of the bank-regulation group, most of the phenomena of overexpansion, oversaving, contraction and underconsumption can be explained by the instability of the existing measure of value. Indeed, a new meaning of the word "saving" itself comes into view. The oversaving is the result of the rising prices that ensue from an unstable measure of value. While prices are rising because the standard of value is shrinking, business men stock up with inventory and enlarge their plant in order to anticipate the higher prices. When prices are falling, they unload. Oversaving now becomes periodic rather than "normal," as pictured by Marx and Hobson. It is practically forced upon business men in order to meet the rising prices caused by an unstable unit of measurement. This is "saving," indeed, according to the economic definition of saving as the purchase of plant and inventory instead of consumption goods, but it proceeds from rising prices and bank credit rather than from a normal or permanent inequality of income. Not only does the wage-lag permit it, but all lags of prices are of its essence. To name it "oversaving" as Hobson does, is again to confuse the phenomena of wealth and poverty with those of prosperity and depression. It is more properly compulsory overspeculation upon an unstable measure of value than oversaving upon inequalities of income.

JOHN R. COMMONS.

University of Wisconsin.

THE TEACHING OF COMMERCE AND ECONOMICS¹

In his last annual report, President Lowell stated that upon graduation from Harvard College, thirty-five per cent of the class of 1896 engaged in commerce and industry, while two decades later fifty-five per cent of the graduating class entered upon a business career. This changing situation, which is typical of most colleges and universities, presents in concrete form the responsibility and duty of our higher educational institutions. We have passed that stage where undergraduate work in the first two years of college consists mainly of rhetoric, mathematics, Latin and Greek. Why is our education becoming more utilitarian? Should our collegiate instruction be predominately cultural or professional, and where should we draw the line? Have we any obligation to prepare students specifically for their probable vocations? The insistent demand from the outside community for specialized and advanced training in business principles and practice led to the establishment fifteen years ago at Harvard of a strictly graduate school of business administration. Thus our oldest university recognized its inability to provide an adequate preparation for business in the other departments of the university, and at the same time accorded business the standing of a profession alongside that of the ministry, law, and medicine.

At the present time courses in commerce are offered in the majority of colleges and universities, but the scope and contents are heterogeneous and seem to have no static place. They start in almost anywhere in the undergraduate curriculum and end almost anywhere. They are new, and they are handicapped by lack of well-qualified teachers as well as by a dearth of illustrative materials. They have yet to attain equal merit among the variety and multitude of subjects available to the college students. They have been subject to trial and error, or as James Harvey Robinson might express it, to "fumbling and success." We hope that they are poor imitations of the courses that are to be; but inadequate and unsatisfactory as they are, they are here to stay since business men, apparently well entrenched on the boards of trustees, are critical of the American educational system, regarding which they state that too many teachers are bookish and out of contact with living things and that the student product covering a period of four years has little to show for the lavish expenditure of time and money. It is no exaggeration to assert that the introduction of courses in business is the most startling development during the twentieth century in American higher education.

¹Paper read before the Pan-Pacific section, World Conference on Education, July, 1923.

What of the teaching of economics as a partial or complete substitute for higher commercial courses? The answer is simple. Economics is no more inclusive of commerce than is mathematics of engineering, or biology of medicine, or ethics of law. The subjects are distinct. They should be mapped out under a unified plan but under the administration of distinct faculties and as far as possible by faculties in which there is no duplicating personnel. These points cannot be too strongly emphasized. Our experience of the past fifteen years has taught us that there is an entirely different spirit behind the courses in economics and those in business subjects. In the teaching of political economy, the fundamental considerations relate to questions of production, exchange, and price, viewed largely from the writings of a few individuals who have reasoned brilliantly but abstractly. The economist is interested in public policy, in external relations, and professes scant knowledge of or interest in business problems. On the other hand the business man's entire concern is with policies governing business management which center about the making and the selling of commodities. He is interested primarily in internal problems. To date he has given too little attention to the external relations such as the formulation of the business cycle, but he has learned that generalities do not satisfy his needs for the facts and administration of his particular enterprise. Fundamentally, therefore, economics and business must be approached through distinct types of courses and by different types of instructors, yet with a sense of real interdependence.

The methods to be employed in the teaching of the principles of economics are in constant dispute. Should this basic course come in the freshman, sophomore, or senior year? Should it be conducted on the case method? Should it include the "new economics"? These and other controversial questions call to mind the University of Chicago Conference of 1911 on the teaching of economics in the United States, when the select committee concluded that "unmistakably there exists today a widespread dissatisfaction with the way in which the subject is presented, a dissatisfaction which is even stronger among the teachers than among the taught. In part this is due to the fact that we do not know what to teach, do not yet know what the facts and principles really are." The economist, therefore, has problems of his own which are more than ample to consume all his intellectual efforts.

For the business student, necessary assets are a knowledge of human and physical geography, commercial and industrial history, political economy, transportation, accounting, finance, and the ability to express oneself clearly and accurately in one's native language. The King's English is deemed by most persons a fit subject for outrage. Especially desirable is it not only for the title but also for the scope

of courses to be more clearly defined. Classes in rural economics, corporations, railroads, investments, and statistics are engaged in study from numerous angles. Greatly to be deplored is the lack of sequence in economics and in business courses, as well as the tiresome repetition of discussions of the tariff, panics, and federal legislation in the courses of elementary economics, economic resources, industrial history, banking, corporation finance, public finance, and transportation.

To teach economics and business, different types of instructors are necessary. For the former, a thorough general education followed by specialized study in economic theory and intensive research leading towards the degree of doctor of philosophy is the accepted method of pre-teaching preparation. For the teaching of business subjects, an equivalent general education is desirable, likewise to be followed by specialization and intensive research, but coupled with practical experience. There are similar demands for intellectual ability, and for keenness in discovering, marshalling, and interpreting significant facts. The economist can be an inside man. But the business teacher must be both an inside and outside individual, a time-consuming occupation especially in these early days of commercial instruction when dependable literature is scanty and when the business world is evolving rapidly; his educational perplexities are many. For the remarkable strides which have been made in our higher commercial subjects, most of the credit belongs properly to the members of departments of economics who for the most part took on their new duties with little enthusiasm and subsequently have been glad, with few exceptions, to be relieved of these courses.

In defense of business courses it should be forcibly asserted that they are wholly in their infancy. They possess wonderful opportunities for cultural as well as vocational study. For example, the earliest existing Greek manuscript, safeguarded in the British Museum, relates to a commercial errand. Yet what researches have been attempted in order to piece together the life and activities of the mercantile classes and the industrial slaves in the age of Pericles? Roman literature abounds in martial and political events, but we should like to know about Cicero's dealings with merchants and money changers in the Forum as well as about other subjects of sweeping moment. That we know so little of the commercial aspects of the early legends (of which many have a factual basis), spheres of influence, public finance, export and import duties, national control of shipping, and pirates may be blamed upon the early writers and those historians who have paid too little attention to past and present economic motives. Does any student doubt their tremendous importance?

Our present business education suffers from a lack of thoroughness. Here a large share of the criticism can be directed against the univer-

sity authorities, since business courses have not been given a square deal with the result that they are now judged upon an impossible basis. To illustrate, the study of Oriental commerce should originate before the year 1900. Time should be allowed for the required reading of books in general fields such as Clive Day's *A History of Commerce*, F. H. King's *Farmers of Forty Centuries*, E. A. Ross's *The Changing Chinese*, and H. B. Morse's *The International Relations of the Chinese Empire*. Also, the countries of the Far East must be studied separately. The problems of Japan, China, the Philippines, and the Netherlands East Indies are as unlike as day and night. Political geography is becoming old-fashioned; we cannot generalize about California any more than we can about China. Regional study, which can be tied up with the subjects of history, government, ethnology, and sociology, offers excellent prospects for business inquiry.

The Pacific area is particularly attractive for students, both of economics and of commerce, because the numerous races, peoples, nations, and civilizations have such clearly developed yet widely different history, psychology, and customs. Moreover, the field is an old, yet unexplored one, in which the triad of land, labor, and capital can be treated historically. Thirdly, there is the great tradition of peace on the Pacific which means more normal and better conditions for observation of valuable phenomena.

Hereafter, not only will the reporting of business facts have greater and greater influence upon the teachings of political economy, but also the Pacific lands and peoples will assist more and more in making worth-while contributions both to business, the art of wealth, and to economics, the science of wealth.

ELIOT G. MEARS.

Stanford University.

COMMUNICATIONS

Comment on Review of Fisher's "The Making of Index Numbers"

I wish first to express my very keen appreciation of the compliments Mr. Snyder pays me and of his kindly spirit even when he criticizes adversely.

In the second place I wish to go on record as accepting part of his adverse criticism. It is clear that my book is likely to give an exaggerated impression of the unreliability of certain index numbers, notably the Statist's and Bradstreet's, and that I am partly responsible for such an exaggerated impression. I hope to avoid this in the second edition soon to be published.

The injustice done *The Statist* led to a vigorous defense by that journal (January 27, February 3, and February 10) and replies by me (March 31, April 7, and May 26) in which, while admitting and explaining my overstatement of its error, I found no reason further to modify my conclusions.

But I do not feel responsible for all of the exaggerated impression which some readers, including Mr. Snyder, seem to have received. Part is, I think, due to wrongly applying the contrasts between "worthless," "poor," "good," "very good," "excellent," and "superlative" index numbers. These contrasts are, it was carefully pointed out, far greater in the case of the 36 commodities used in my calculations than in most cases in actual experience.

The main object of my book was not to emphasize such contrasts but to show that *even* in cases of unusual dispersion of price relatives, such as of the 36 commodities in my tables, all index numbers which meet certain prescribed tests agree remarkably well. The conclusion was reached that, so far as formula-error is concerned, it can be reduced to less than $\frac{1}{8}$ of 1 per cent *even* in extreme cases and therefore *still less* in ordinary cases.

In short, my statistics and arguments were all marshalled to demonstrate the reliability of good index numbers, not the unreliability of bad ones. I did not maintain, or dream of maintaining, that the wide differences between the good and bad, as exhibited in the case of the very widely dispersing 36 commodities, were at all representative of ordinary conditions.

The less the price relatives disperse, the less do the various index numbers calculated from them disperse. Where there is no dispersion of relatives there is none of index numbers. In that case—when all commodities rise or fall in unison—all index numbers, biased and unbiased, mode, median, simple arithmetic (Statist's) and simple aggregative (Bradstreet's), of course, coincide. Thus bad index numbers, like bad boys, are perfectly good when there is no opportunity to err. But the real test of character comes with stress, *i. e.*, dispersion.

The problem of how far bad index numbers err in practice was barely touched upon in my book. I was too intent on finding the good ones, those

'See "Fisher's 'The Making of Index Numbers,'" by Carl Snyder, *AMERICAN ECONOMIC REVIEW*, September, 1923, p. 416.

which are good under *all* circumstances. Later I hope to take up in earnest the actual behavior of the index numbers which have been most in use. It is this latter problem in which Mr. Snyder seems to be chiefly interested and on which he expresses some conclusions. After reading my book he had, apparently, expected to find enormous discrepancies between various index numbers in their ordinary course.

Now, even under the stress of the wider dispersion in my book, the (single) bias found in the arithmetic seldom exceeded 5 per cent. Why, then, should there be any surprise that for the less dispersive period, 1890-1913, the biased simple arithmetic should usually be closer than 5 per cent to the weighted aggregative? Certainly there is nothing in my calculations to justify such surprise.

But my chief objection is that Mr. Snyder *condones* the differences which he does find. Why should we ever use a form of index number subject to a known bias of even 2 or 3 per cent when we can as easily avoid it? The facts show that the bias of the arithmetic usually exceeds 2 or 3 per cent even in fair weather, while it shoots up to 5 or even 10 per cent in price storms. The index numbers which Mr. Snyder cites as usually close, differ on occasion, as his curves show, by 8 per cent, 10 per cent, and even 15 per cent.

Other examples could be cited showing how dangerous it is to put our trust in biased index numbers. In one case, in Sweden, a doubly biased index number (Palgrave's formula) reaches an error of 28 per cent!

Even in ordinary circumstances we ought to save an error of 2 or 3 per cent or even of 1 per cent when we can so easily do so; for Mr. Snyder is quite incorrect when he says of the simple arithmetic: "The truth seems to be that even this friendless mongrel of index numbers may be, if only the assortment be large enough and varied enough and representative enough, as good an index as the best that can be made."

What we need just now in index number reform is to get rid of all biased and tricky formulas, especially the simple arithmetic. After this we shall be ready to take up the question of assortment, uncomplicated by the question of formula.

I can well understand how jealously *The Statist* defends its traditional index number but surely the rest of us can commend the example of the Board of Trade in substituting the geometric for the arithmetic, and of the Canadian Department of Labor, and Federal Reserve Board in substituting the aggregative, and can advocate the exclusive use of those formulas on which we can rely when most needed.

It is curious that Mr. Snyder, after condoning formula errors of several per cent in the simple arithmetic, complains of the discrepancy for 1920 between the old (1909 weighting) and revised (1919 weighting) United States Bureau of Labor Statistics' index number because that discrepancy then reached 10 per cent. There is no "scandal" in this. The weighting of 1919 after the World War is naturally different from that of 1909 and, in a year of great dispersion, like the crisis year of 1920, a large discrepancy is to be expected. This is no reflection on the Bureau; for no

better formula than its Laspeyre's was available. The data for the "ideal" were not at hand. All this merely indicates the change of conditions which the war caused and emphasizes again the need of all the care we can exercise.

IRVING FISHER.

An Issue in Economic Theory: "The Rate of Wages and the Use of Machinery"

In the September issue of the *AMERICAN ECONOMIC REVIEW* Professor Hayes challenges the validity of what has come to be generally accepted by economists as the connection between high wages and the introduction of labor-saving machinery. It is my purpose in this note to show that Professor Hayes does not prove the accepted theory fallacious, but rather that he convicts of inconsistency some of the economists quoted, but only some of them.

Cassell, Seager and Fetter are all quoted as of the opinion that high wages lead to the substitution of machinery for human labor. Fetter, as indicated in Hayes' article, holds that "If wages rise, 'it pays' to get machinery; if wages fall, it pays to let some of the machinery deteriorate and do it more by hand labor." Johnson might also have been quoted to the same effect: "When wages rise it pays to introduce machinery that saves labor." (*Introduction to Economics*, revised, p. 252.) In fact, this is the theory that is now generally accepted by economists.

To say the least, it is questionable logic to quote Cassell, Seager and Fetter as to the effect of high wages upon the use of machinery and to attempt to prove their view wrong by quoting Marshall and Taussig in defining capital, a definition which, if accepted, would lead to the contradiction which Hayes points out. And Professor Hayes appears not to question for a moment the truth of this capital concept which he uses to refute the position taken by Fetter, for example, who subscribes to a different theory as to the nature of capital. Taussig says, "All capital is made by labor, and all the operations of the capitalist are resolvable into a succession of advances to laborers." Obviously, this cannot be true if Fetter and other economists are correct in saying that high wages mean the use of more machinery. Either it is an error to hold that the high wage leads to the use of more machinery or it is incorrect to regard all machinery as stored-up labor. And this is all that Hayes proves, namely, inconsistency in those cases in which both views are held by the same man. Defining capital as Taussig does, it would be a fallacy to say that high wages lead to the employment of more labor (that is, machines as stored-up labor). This, of course, would still allow for some shifting in a transition period before the old capital goods reflect the change in the wage level. But Hayes allows for this temporary condition. Fetter defines capital as "economic wealth expressed in terms of the general unit of value" (*Principles of Economics*, p. 115). If this is the correct view of capital the analysis of Professor Hayes does not apply. Is it not possible that the mistake lies in the Marshall-Taussig conception of capital rather than in the Fetter theory as to the relation of high wages to the introduction of machinery?

The issue involves the truth of the "law of the right proportion of factors," sometimes called the "law of balanced return." Most economists evidently mean by this law simply that an entrepreneur goes "long" on the use of those factors that are relatively cheap and that he economizes in the use of those that come at a relatively high price. But this law can throw no light upon the choice between the use of machinery and labor when the machinery is regarded as nothing more than labor that is crystallized. In such a case it would be merely a choice, for the time being, between new labor and labor that had already become incorporated in the form of machinery.

The truth would seem to be rather that the price of the machinery—and price is the stimulus that determines the direction of bidding by entrepreneurs—is determined not solely by the amount and quality of the labor that has been expended upon its production, but by a number of forces of which labor is only one. Labor is frequently a large factor in determining price. But the scarcity of raw materials which have involved the expenditure of no labor whatever in their production is equally a determining element.

Suppose, for example, a given entrepreneur has the option of hiring a man to work or of having this work done by a machine which is made of a scarce wood. It does not follow at all that the price of the wooden machine is explained wholly by the labor that has been expended in shaping the raw material into a finished product. The choice between human labor and machines in this instance is not, as Hayes suggests, one between the use of present labor and labor crystallized into material form.

But there is this much of truth in the criticism made by Professor Hayes: Just to the extent that the value of the machine is to be explained by the labor which has been used in its construction, to that degree high wages will not over a long period cause a shifting to the use of machinery. The stimulus to shift is, quantitatively viewed, more apparent than real in most instances. In giving emphasis to this point of view Professor Hayes does a service to clear thinking. It would have been nearer the truth had he maintained that high wages cause a shifting from labor to the use of machines, the degree of substitution varying inversely with the extent to which the price of the machinery represents the expenditure of labor in its production.

CLYDE OLIN FISHER.

Wesleyan University.

Further Comment by Professor Hayes

It seems to me that Professor Fisher's first point is entirely irrelevant. As he puts it in his first sentence, my article had to do with the relation between the rate of wages and the use of machinery. The argument was, in brief, that since the utilization of machinery involves a roundabout, or a more roundabout, rather than a direct or less roundabout, application of labor, the rate of wages, considered broadly, has nothing to do with the profitableness of using machinery. I fail to see how the definition of capital is at all involved. And particularly I do not see how, "If this

(Professor Fetter's definition of capital) is the correct view of capital, the analysis of Professor Hayes does not apply." How can the relationship between the rate of wages and the use of machinery depend at all upon the definition that Professor Fetter chooses to give to the word *capital*? It is either true or not true that a high wage level makes it profitable to use machinery that could not be used profitably on a lower wage level. The validity of the position which an economist takes on this question is certainly not affected by the definition which he happens to give to the term *capital*.

Further, I fail to see, if the point is worth discussing, that there is "questionable logic" in my use of quotations. Fisher states correctly in his second paragraph the matter of the first three quotations. But he errs decidedly in saying that I attempted to prove wrong the view of Cassel, Seager and Fetter as to the relation between the rate of wages and the use of machinery "by quoting Marshall and Taussig in defining capital." That would have been worse than "questionable logic," for no one's definition of capital has any bearing on the point at issue. The quotation from Marshall was as follows, "When it is said that machinery is substituted for labor, this means that one class of labor combined with much waiting is substituted for another combined with less waiting." Certainly this is not a definition of capital. And the quotation from Taussig, which Fisher repeats, is not a definition of capital used to prove the other economists wrong. It was used, as was the quotation from Marshall, merely to lend the weight of authority to the obvious point that machinery is the product of labor.

To be sure, if an economist should discuss the relationship in question in terms of capital, his definition of capital would be significant in determining his position. But the quotations used in this case were in terms of machinery. The quotation from Seager was the only one using the term *capital*, and he used it as part of the term *capital goods*. The quotation from Fetter which Fisher repeats is clearly enough in terms of machinery. Again, how can his definition of capital apply to this point? Further, contrary to Fisher's suggestion I was not concerned in proving any economist inconsistent.

Professor Fisher's other point that there are factors other than labor that affect the price of machinery is of course true. But as was stated in the article in question, "There is perhaps as much tendency for economic friction and other than labor and waiting costs to affect the expense of the hand, or less machine, method, as the price of new machinery and the cost of operating and repairing it."

His illustration of a machine made of rare wood is perhaps not sufficiently typical to affect a general conclusion in regard to the use of machinery. But waiving this, will the factor of extreme scarcity of the raw materials of which they are made, promote the construction of machinery in case of a wage increase? The rent of such materials reflects the economic advantage of using them. If a machine made of rare wood sells for such an amount that \$50 represents the yearly cost of constructing and using it, including keeping it in repair, and if \$50 represents the rent

paid to the owner of the land upon which the wood is found, then, if the yearly labor cost of having the task done by hand is \$100, it is a matter of indifference which method is used. If wages are now doubled and if the rent factor remains at \$50, the advantage will clearly shift to the machine method. But in such a case rent would be doubled also. Competition for such material would tend to prevent any other result. Thus the point of indifference in regard to the use of the machine method or the hand method would remain as before.

Patent rights for machinery are practically of more significance, so far as Fisher's point is concerned, than are rare materials. But the economic return for these is usually adjusted to demand rather than definitely fixed by contract for long periods of time. Then, too, they may figure in a less complicated as well as in a more complicated machine process. In general, it does not seem reasonable to believe that the scarcer the materials of which machines are made, or the greater the income received by the patentees, the more marked will be their utilization when wages advance.

H. GORDON HAYES.

Ohio State University.

REVIEWS AND NEW BOOKS

General Works, Theory and Its History

Essentials of Economics. By FRED ROGERS FAIRCHILD. (New York: American Book Company. 1923. Pp. 543.)

Introduction to the Study of Economics. By W. M. W. SPLAWN and W. B. BIZZELL. (Boston: Ginn and Company. 1923. Pp. ix, 386. \$1.72.)

Among the numerous unsatisfactory high school textbooks on the elements of economics, two excellent new texts will be welcomed. Fairchild's *Essentials of Economics* and Splawn and Bizzell's *Introduction* both follow the conventional scheme of production, exchange, and distribution. Professor Fairchild's volume covers about everything that is included in any textbook in elements of economics, and some subjects not ordinarily included, as for instance, accounts, speculation, and the use of schedules, diagrams, and graphs. The treatment of value and price and of government functions, including public finance and taxation, is particularly complete. The style is generally clear, and the questions at the end of each chapter well chosen and not unnecessarily numerous.

To a disciple of Marshall, Fairchild's treatment of value seems worthy of commendation, because it is clear, and is a reasonably consistent exposition of Marshall, with supply and demand clearly set forth, not only as explaining value in general, but interest and wages as well. The statement that "economic rent is due to the fact that the price is determined by the cost on the poorest or marginal land" seems hardly to follow Marshall, but in general there is little confusing discussion of margins as determinative factors.

On various points the book will be sure to meet criticism. It will be urged by some that it is too strongly classical, too apologetic of the present order, and scarcely fair to socialism and other proposals for the change of that order. By others it will be criticized for attempting too much. Among minor points that seem vulnerable to attack are the following: the definition of capital to include all wealth, producers' as well as consumers' goods; the definition of money as "articles of wealth and property rights which are generally accepted in a certain community in exchange for other wealth and services"; the use of the term "intrinsic value" for commodity value; the Ricardian conception of land as "lasting forever"; and a confusing use of the word rent as accruing from buildings and improvements as well as from land. On some of these points the author has the undoubted right to his own conceptions and definitions, but on some he is far from ordinary usage.

Like almost all texts in the principles of economics, the *Essentials of Economics* seems to the reviewer to contain perhaps too many hypothetical illustrations. These are generally well drawn, but some of them could be replaced by actual illustrations from the business and commercial world. Farmer A and Mr. B, and Brown and Smith play heavy rôles on our economic stage, but actual flesh and blood men, where they can be used, would surely make the play more interesting, especially to young students. For instance, in the discussion of profits, why should not some of the great profit makers of our history be brought in for illustrative purposes—Rockefeller, Carnegie, Gould, Astor, Stanford, and lesser lights as well? Illustrations of this kind would not only make the discussion more real, more interesting and informational, but would perhaps tend to keep writers, teachers and the students in closer touch with actualities.

The short bibliography at the end of each chapter can hardly be intended for the use of the students, for Marshall's *Principles of Economics* appears at the end of almost every chapter, and such authorities as Walker, Mill, and F. M. Taylor are frequently cited, while Bullock's *Elements of Economics* and Thompson's *Elementary Economics* are never mentioned. Bullock's treatment of at least one subject, international trade and the tariff, is certainly among the best brief discussions available, and the wide use of Thompson's book suggests that it has met the needs of high school students with some success. The references in this book are not well selected.

In general, however, the *Essentials of Economics* is well organized, well thought out, and clearly written, and is entitled to rank among the best of its class. There is a serious question as to whether high school students will be able to grasp portions of it; nevertheless it will probably be used widely, not only in high schools, but in colleges where elements of economics is taught to freshmen. Few of the texts in common use are better adapted to the use of college freshmen.

In the volume by Splawn and Bizzell, the chapters dealing with money, credit, and banking and those on value, distribution, and on labor problems are particularly full, while the special problems of agriculture, public finance and economic reform are treated rather briefly. There are questions at the end of each section of each chapter, and well-selected references for further study at the end of each chapter.

There are a number of points at which criticism will be offered: the rather extended discussion of land colonization, without a discussion of the tenancy situation in the United States to precede it; a change in tense (p. 167), which makes some of the earlier defects in the national banking system appear still existent; a discussion of the defects of that

system previous to 1913 which fails to include clearly the inelasticity of reserves, the inelasticity of note issue, the lack of centralized control, or the lack of a rediscount market, and so fails to lay an adequate foundation for the consideration of the federal reserve system; a discussion of market price, normal price, and monopoly price entirely separate from the discussion of value, as if they were unrelated; the failure to include anything on speculation; a discussion of the efficiency of American labor (p. 217) which attributes that efficiency to "intelligence and speed" with no mention of the great natural resources and capital that American labor uses; a diagram (p. 26) showing the different classes of labor, which fails to correspond to the accompanying text; the treatment of captains of industry as a "class of laborers" in one place, and as "the residual claimants" in another chapter. The introductory chapter defining economics might well be omitted, for the student should be able to learn what economics is from the rest of the book.

This *Introduction* is intended for high school use. The authors assert that the principles of economics are "no more difficult than a good many other subjects successfully taught" in high schools. The reviewer is thoroughly convinced of the practicability, even the necessity, of teaching economics in high schools, but some of the material in this book hardly seems adapted to "children in the tenth and eleventh grades." For instance, the discussion of the labor theory of value, with references to Adam Smith, Ricardo, and Marx, the extended discussion of the cost of production theory, and of the marginal utility theory, and finally of supply and demand, with incidental reference to consumers' surplus, class price, and some other refinements and qualifications, is surely a hard task for high school children of fifteen to seventeen years of age. The discussion of the quantity theory of money likewise seems quite beyond high school students. The quantity theory doubtless is comprehensible to young students, in its simpler forms, but to present it with many of its refinements, qualifications and modifications, and then add Professor Laughlin's theory, is to insure confusion. Even more difficult perhaps, is the question of foreign exchange, to which the authors devote considerable space, taking up even the question of exchange between countries not on a gold basis. High school students who really grasp such questions will do much better than most college freshmen do. Rent should be clearly defined, but for high school students it is unnecessary to follow the history of the term through the Latin and French etymology, and through Ricardo, Mill, Walker, Senior, Fetter, Ely, Taussig, and Laughlin.

Fortunately, the quality of most of the material in this little book is such that, even if high school students find it difficult, they will profit

from anything they are able to absorb. The book will probably be used, not only in high schools, but in colleges as well.

JOHN ISE.

University of Kansas.

The International Trade Balance in Theory and Practice. By THEODORE H. BOGGS. (New York: The Macmillan Company. 1922. Pp. 214. \$2.00.)

This book is an expansion of an article by the same writer which appeared in the *Quarterly Journal of Economics* of August, 1915, under the caption "Capital Investment and Trade Balances within the British Empire." The first chapter of the book (45 pages) is devoted to the theory of the balance of trade, the remainder to a consideration of the trade balances of the United States, the United Kingdom, Canada, India, Australia, New Zealand, and South Africa. Emphasis is laid upon the predominant importance of international loans in the determination of the trade balance, and countries are classified as: (1) immature borrowers, (2) mature borrowers, (3) immature lenders, (4) mature lenders, according to their status in the international loan market as annual borrowers or lenders of more or less money than they pay or receive in interest. The merchandise balance is correlated throughout with the position of the country as an international borrower or lender. The United Kingdom, having passed through the first three stages, is now a mature lender; the United States has but recently entered the third stage, that of the immature lender; India is a mature borrower; and Canada, till 1914 at any rate, was an immature borrower. The mustering of the international debits and credits of these countries has been the author's chief task, and his exposition of the results is clear and forceful. No new ground is broken, however, the book being essentially a compilation. The chapters on the trade balances of India and Canada reproduce, with some additions, the author's former article, while that on the balance of trade of the United States contains practically nothing which has not already appeared in the article on "The Balance of Trade of the United States," by Bullock, Williams, and Tucker in the July, 1919, number of the *Review of Economic Statistics*. Professor Boggs notes the lack of published statistics or even official estimates pertaining to certain items which enter the international balance sheet, but does not here attempt to supply this need for original investigation.

The discussion of theory is short. The author quotes Sir Robert Giffen to the effect that the balance of trade is a pitfall to the unwary, and he has himself proved the pertinency of that saying. It is axiomatic, of course, that, since every commercial dealing involves some sort of a *quid pro quo*, a balance of debits and credits is inevitable.

This is a mere matter of bookkeeping. Thus, when a loan is made, we set down on one side of the international account the actual goods, money, or services which are transmitted to the borrower, and on the other the present value of the promise which is given in return. When gifts are made, as in the remittances of immigrants to the people back home, there is no true balance, but a bookkeeping balance is achieved by setting down on one side of the account the value of the actual money or goods exported, and on the other, an equivalent item, "gifts," which represents precisely what was obtained for such goods or money, that is to say, nothing. If we are good bookkeepers we can be assured of a balance, but Professor Boggs' bookkeeping is sometimes erratic. In making up the trade balance of India, he deducts from the borrowings the value of the goods which enter India immediately as a result of the borrowing operations, on the ground that these are already counted as imports (p. 168). That the goods are counted as imports is true, *but they are counted on the other side of the account*, as debits, whereas the borrowings figure as credits. We can set them off against the loans if we like, but then we must reduce our total import figures *pro tanto*. If we are to have a balance we must have both items in or both out. The error in Professor Boggs' treatment of the Indian figures is the clearer from the fact that he does not commit it for the other countries. If he had, he would have been forced to the conclusion that there is never a "net" import of capital at all, since all international borrowing must be reflected in equivalent imports of goods, money, or services.

Now, though a balance is inevitable (bad debts being reckoned as gifts), it is by no means easy, if it is possible, to measure the terms in that balance. For with what measure shall we mete them? The money of any particular country will not do. Suppose for instance that goods to the value of \$1,000 or, at the then existing rate of exchange, £220, are sent on ninety days' credit from the United States to Great Britain. The debt is later extinguished by a counter-claim for £210 which, because of a rise in sterling exchange, is now worth \$1,000. Reckoned in dollars there is a balance, reckoned in pounds there is not. Similarly it might happen that a balance in sterling would be attended by a lack of balance in dollars. Where fluctuations in exchange are confined within narrow limits this is of no great practical importance but at the present time it is vital. A study of the trade balance of Germany would be much more significant for theory than any of those the writer has chosen.

Professor Boggs holds that trade follows the foreign investment in the sense that the volume of a country's external trade is closely correlated with the volume of its foreign investment. This is a dubious

proposition. Foreign investments will, in the long run, diminish export relative to import trade, and whether or not they will increase the total seems to the reviewer to be incapable of proof.

FRANK D. GRAHAM.

Princeton University.

NEW BOOKS

ANSIAUX, M. *Traité d'économie politique*. Vol. II, *Prix et revenus*. (Paris: Marcel Giard. 1923. Pp. 661. 30 fr.)

This is the second volume of a series of which the first, *L'Organisation Économique*, was noted in the REVIEW for December, 1921, page 665. It covers in successive parts value and price, monetary theory, interest, profit and rent, and wages. Included in the last is a discussion of trade unionism and of state intervention in labor disputes. This gives space to the Kansas Industrial Court alongside the New Zealand and Canadian laws and the Whitley Councils of England. The work continues to display a wide range of information and to give careful discussion to theoretical questions. For the most part this discussion follows familiar paths.

C. E. P.

AURICH, A. *Grundlehren der Volkswirtschaft*. (Dresden: O. & R. Becker. 1922. Pp. 40.)

BECKER, H. *Zur Entwicklung der englischen Freihandelstheorie Probleme der Weltwirtschaft*. Schriften des Instituts für Weltwirtschaft und Seeverkehr an der Universität Kiel, 35 Bd. (Jena: Fischer. 1922. Pp. vii, 166.)

BLACKMAR, F. W. and GILLIN, J. L. *Outlines of sociology*. Revised edition. (New York: Macmillan. 1923. Pp. 647. \$3.00.)

Chapters on "Social phases of production and consumption of wealth" and "Exchange as a social function" which appeared in the edition of 1915 have been omitted, and two new chapters inserted on the "Origin and development of property" and "Social results of economic activities."

BOGARDUS, E. S. *Introduction to the social sciences*. Second edition. (Los Angeles, Calif.: J. R. Miller, Univ. Southern California Press. 1922. Pp. 240.)

BROWN, H. G. *Economic science and the common welfare*. Parts I and II. (Columbia: Missouri Book Co. 1923. Pp. xiii, 273. \$3.00.)

BURKE, E. J. *Political economy, designed for use in Catholic colleges, high schools and academies*. (New York: American Book Co. 1922. Copy-right, 1913. Pp. xvi, 480.)

This volume is designed to present a general view of political economy showing the Catholic doctrine "wherever the subjects enter into or touch on the domain of ethics." A summary of Catholic principles is given under three heads: (1) State legislation, wise, moderate and progressive; (2) The action and influence of the Church and Christian charity; (3) Individual and associated initiative (p. 26). In conformity to these principles the text is distinguished by: the large amount of space given to historical matter in connection with the various subjects discussed; the continual insistence on the state's duty of intervention to secure social and industrial justice; a sustained attack on socialism in all

its applications; defense and encouragement of trade unionism; rejection of the doctrine of Malthus; a consistently expressed belief that the economic ills of our society are due to faulty distribution rather than to inadequate production; and the practice of concluding each theoretical discussion with a statement of the Catholic doctrine. The temper of the book may be indicated by quotations taken from the concluding chapter on wages:

The Catholic View represents the laborer as endowed with personal dignity. He is a person possessed of certain characteristics in mind and heart, an intelligent and a free being, owing allegiance to God, raised to a supernatural order, destined to a spiritual and a supernatural end, gifted with certain inalienable rights which his fellow man must recognize and respect (p. 455).

There is enough reasonably and justly to satisfy [all the factors that have contributed to the product] if reason and justice were allowed to affect the distribution; but as a matter of fact the capitalist and the entrepreneur exact the greater share of the proceeds of production, and as a result, little is left to be distributed among the wage earners (p. 460).

The volume covers the usual range of topics, including money and banking, international trade, transportation, trusts, public finance, and insurance. The author has chosen to place his chapters on distribution at the close after the discussion of applied problems. This arrangement offers certain advantages but makes difficulties in the adequate treatment of such subjects as trusts and railroad problems.

CHARLES E. PERSONS.

CASSEL, G. *The theory of social economy*. Translated by J. McCABE. 2 vols. (London: Unwin. 1923. 42s.)

CONRAD, J. *Grundriss zum Studium der politischen Oekonomie*. Teil 2. *Volkswirtschaftspolitik*. Tenth revised and enlarged edition, by A. HESSE. (Jena: Fischer. 1923.)

CUNNINGTON, S. *Man's wants, work and wealth; a beginning course in economics*. (New York: Pitman. 1923. Pp. 186. \$1.)

DIETZEL, H. *Technischer Fortschritt und Freiheit der Wirtschaft*. Bonner staatswissenschaftliche Untersuchungen, 7. (Bonn: Kurt Schroeder. 1922. Pp. 62.)

FÄRBER, H. *Kritik der Volkswirtschaftslehre*. (Vienna: Jahrda & Siegel. 1923. Pp. 16, 101, 43.)

FAUBEL, A. L. *Principles of economics*. (New York: Harcourt, Brace. 1923. Pp. 443. \$1.60.)

FETTER, F. A. *Modern economic problems*. Vol. II. Second edition, revised. (New York: Century Co. 1922. Pp. 611. \$2.75.)

Professor Fetter's revision of his well-known text is one of the earliest to make its appearance on the market since the war which deserves the credit of being "revised." The revision is especially thorough in those chapters dealing with price movements and the changes in the currency.

He criticizes the Federal Reserve Board for its policy during the war in two particulars: for having "a mercantilist bias in favor of an artificial heaping up of gold in this country as shown in its fathering and defense of the gold embargo"; and for attaching too much importance to the maintenance of low interest rates by artificial means when the natural trend of rates was upward. He shows the consequences of this policy during the post-war period. There are many other changes in the way of

additions and rearrangements, especially in regard to tariff, taxation, transportation, and insurance.

The changes in the chapters on labor are not notable. There is no mention of the movement to give employees representation in matters relating to labor in plant management, and in such matters as the legal minimum wage and the effect of collective bargaining on wages Professor Fetter prefers to make his statements fit his wage theories in the first volume rather than to inquire as to what has actually happened.

The book makes interesting reading and the charts, diagrams, and maps are excellently done. I feel sure that it will prove to be a popular text for both pupil and teacher.

M. B. HAMMOND.

FRACCACRETA, A. *Sicurezza e insicurezza economica*. (Naples: L. Pierro. 1923. Pp. 39. 4 l.)

GARRIGUET, L. *Introduction à l'étude de la sociologie. Question sociale et écoles sociales*. Fourteenth edition, brought down to date. (Paris: Bloud. 1922.)

GAULT, R. H. *Social psychology; the bases of behavior called social*. (New York: Holt. 1923. Pp. 10, 336. \$2.)

VON GERHARDT, F. *Hauptfragen der theoretischen Volkswirtschaftslehre*. (Frankfurt: Blazek & Bergmann. 1923. Pp. 63.)

GÜNTHER, A. *Theorie der Sozialpolitik*. Handbuch der Wirtschafts- und Sozialwissenschaften in Einzelbänden. (Berlin: Vereinigung Wissenschaftlicher Verleger. 1922. Pp. ix, 476.)

HAURAND, P. W. *Das nationalökonomische System von Heinrich Pesch*. (Munich-Gladbach: Volksvereins-Verlag. 1922. Pp. 104.)

HAUSER, H. *Propos d'un ignorant sur l'économie nationale*. (Paris: F. Nathan. 1923. Pp. 206. 5 fr.)

HELANDER, S. *Die Ausgangspunkte der Wirtschaftswissenschaft*. (Jena: Fischer. 1923. Pp. iii, 122.)

HUNTER and WATKINS. *The background of economics*. (New York: McGraw-Hill Bk. Co. 1923. Pp. 514.)

KEILHAU, W. *Die Wertungslehre. Versuch einer exakten Beschreibung der ökonomischen Grundbeziehungen*. (Jena: Fischer. 1923. Pp. xii, 243.)

An elaborate dissertation on the psychology of demand and the satisfaction of it. The author protests against the determinism of modern economics, and what he considers to be the mistaken psychology on which the Austrian theory of marginal utility is based.

R. R. W.

KYRK, H. *A theory of consumption*. Hart, Schaffner & Marx prize essays, XXXV. (Boston: Houghton Mifflin. 1923. Pp. xiv, 298. \$2.50.)

LAISTNER, M. L. W., translator. *Greek economics*. (New York: Dutton. 1923. Pp. 245. \$2.)

LABRIOLO, A. *Manuale di economia politica*. Second edition, revised. (Naples: Morano. 1923. Pp. 494. 20 l.)

- LICHTENBERGER, J. P. *Development of social theory.* (New York: Century. 1923. Pp. xiii, 482. \$4.)
- LIEFMAN, R. *Grundsätze der Volkswirtschaftslehre.* Vol. I. New revised edition. (Stuttgart: Deutsche Verlags-Anstalt. 1922. Pp. xiii, 696.)
- LLOYD, E. M. H. *Stabilization. An economic policy for producers and consumers.* (New York: Knopf. 1923. Pp. 140. \$1.50.)
- LÜTTGENS, C. M. und WICHL, O. *Nationalökonomie.* Dünnhaupts Studien- und Berufsführer. (Dessau: C. Dünnhaupt. 1923. Pp. vi, 60.)
- LUTZ, H. L. and STANTON, B. F. *An introduction to economics.* (Chicago: Row, Peterson and Co. 1923. Pp. vi, 533.)

The insistent demand for a book adapted to the needs of young and slightly trained readers evidently inspired the writing of this textbook. Thus it has a rather elaborate provision of aids to instruction in the form of prefaced summaries to chapters, blackfaced paragraph headings and with each chapter a list of questions and exercises, essay subjects, questions for debate and a brief list of familiar references. The content of the book shows few departures from accepted procedure. We find in successive parts: Characteristics of the present economic order; Production, distribution, and consumption of wealth; and Problems of economic and social organization. Topics covered in the last part are wisely limited. The authors consider labor questions; plans for social reform; trusts, railways and public finance.

The underlying philosophy of the book is that of Ely, Taussig, and Marshall. There is obvious evidence also of the influence of Professor Carver's writings. Space is saved, clearness attained, and the interests of immature readers advanced by confining the discussion to the straightforward presentation of one consistent body of doctrines. These are always attractively and effectively presented and stamp the authors as skillful teachers. It should be emphasized also that there has been no evasion or omission of intricate or abstruse problems. Such difficult questions as the theories of international trade, the business cycle and the theory of railway rates receive courageous treatment. And the delicate questions involved in labor matters are positively stated, though one notes a cautious handling of compulsory arbitration.

It is an ungrateful procedure to pick flaws in so carefully wrought, useful and attractive a volume, but in candor it must be set down that there is sometimes undue emphasis on abnormal features of the present situation and that the authors have sometimes been betrayed into incautious statements. In view of their carefully considered work this statement requires a supporting quotation. The italics are mine. "The labor population has scattered again since the business depression which began in 1920. There has been a very active building boom, and due to these causes there are now thousands of empty houses in most large cities. As a result, rents are coming down in spite of anything that the landlords can do to hold them up" (p. 307).

C. E. PERSONS.

- MARSHALL, A. *Money, credit, and commerce.* (London and New York: Macmillan Co. 1923. Pp. xv, 369. 10s.)

The appearance of this volume represents the English master's endeavor to complete a series of works illustrating comprehensively the

applications and ramifications of the law of the equilibrium of supply and demand. "As, in spite of great differences in form between birds and quadrupeds, there is one Fundamental Idea running through all their frames, so the general theory of the equilibrium of demand and supply is a Fundamental Idea running through the frames of all the various parts of the central problem of Distribution and Exchange." Previously the author's industry had yielded *Principles of Economics and Industry and Trade*. Should good fortune permit perhaps one remaining volume an ambition remarkable in its conception and development will have been fulfilled.

Of the four books in this volume the first two, *Money and Business Credit*, are given the most sparing attention. In both of these books the work is conceived as it should be—primarily as a task of orientation. The mistake is not made of regarding money and credit problems as situated in isolated fields of investigation, separate and apart from their relationships to trade and commerce. This part of the work, then, is not open to adverse criticism, on account of its orthodox and traditional form of treatment.

The third book—*International Trade*—is more ambitiously conceived and apparently has received the major part of the author's thought. Throughout this book the American reader is impressed by the extent to which English economic thought has been devoted to the consideration of national advantage to be gained by the selection of the proper foreign-trade policy. There is an attempt to formulate rigidly the concept of "elasticity of national demand" in order to permit analysis of the influence of import duties upon the terms of international trade. Several chapters are devoted to problems connected with the incidence of export and import taxes and with the benefits of external trade. The reader who delights in diagrammatic and mathematical presentation will find the most rigid thinking on these matters in the Appendix.

The final book—*Fluctuations of Industry, Trade and Credit*—displays, perhaps, in the author's favorite terms, a statement of the ultimate goal of economic thinking—to help eliminate the friction inherent in present financial and industrial organization so as to permit individual qualities of thrift and energy to work unhampered by social irregularities and thereby to "further the number of those who can earn a reasonable income, and thus have the opportunity of living a noble life."

American students will respect highly the dedication of a life, now somewhat advanced in age, to the arduous toil the completion of this plan necessitates. Had Professor Marshall devoted his later years to monographic studies alone, a principal virtue of his work would have been lost. It will be highly gratifying to receive from his pen another and perhaps final volume which will conclude his project of so organizing economic material as to show its complete subjection to the fundamental principle of value.

The comprehensiveness of the author's thinking is amazing. Frequently there is packed in a single obscure phrase a thought that might be expanded into a chapter. The reviewer was particularly impressed by this quality in the treatment of index numbers. From the point of view, however, of method of analysis and theoretical approach there is no attempt to build upon the foundations first laid in the *Principles*.

HAROLD L. REED.

- MENGER, C. *Grundsätze der Volkswirtschaftslehre*. Second edition revised by R. SCHÜLLER. (Leipzig: G. Freytag. 1923. Pp. xxvi, 385.)
- MORROW, G. R. *The ethical and economic theories of Adam Smith; a study in the social philosophy of the eighteenth century*. Cornell studies in philosophy. (New York: Longmans. 1923. Pp. 95. \$1.)
- NAVARRA, C. G. *Mazzini economista*. (Savona: L. Brizio. 1923. Pp. 113. 8 l.)
- OPPENHEIMER, F. *System der Soziologie*. Vol. I. (Jena: Fischer. 1922. Pp. xx, 442.)
- PANTALEONI, M. and BROGLIO, d'A. *Temi, tesi, problemi, e questi di economia politica teorica ed applicata*. (Bari: Laterza. 1923. Pp. xxiii, 351. 20 l.)
- PEDDIDE, D. E. *The order of nature in economics*. (Boston: Badger. 1923. Pp. 147. \$1.50.)
- PESCH, H. *Lehrbuch der Nationalökonomie*. Vol. 5. (Freiburg in Br.: Herder & Co. 1923.)
- VON PHILIPPOVICH, E. *Grundriss der politischen Oekonomie*. Vol. II. *Volkswirtschaftspolitik*. Part I. Thirteenth edition. (Tübingen: Mohr. 1922. Pp. viii, 408.)
- POHLMAN-HOHENASPE, A. *Die Grundbegriffe der Volkswirtschaft*. (Leipzig: Voigtlaender. 1922.)
- RICARDO, D. *Economic essays*. Edited with introductory essay and notes by E. C. K. GONNER. (London: Bell. 1923. Pp. 315.)
- ROSS, E. A. *The outlines of sociology*. (New York: Century. 1923. Pp. xiii, 474. \$3.50.)
- SCHWIEDLAND, E. *Volkswirtschaftslehre*. Vol. II. *Die Gebiete der wirtschaftlichen Tätigkeit*. Third edition. (Stuttgart: Kohlhammer. 1923. Pp. iv, 217.)
- This is the second volume of the author's large work, which is a sort of encyclopedia of economics under 43 headings. The present volume tells of the economic activities of mankind from the production of raw material to the details of credit and exchange.
- R. R. W.
- SCOTT, W. R. *Adam Smith*. (London and New York: Oxford University Press. 1923. Pp. 21. 50c.)
- The British Academy annual lecture on a master-mind, reprinted from the *Proceedings of the British Academy*, vol. XI.
- SEAGER, H. R. *Principles of economics*. Third edition. (New York: Holt. 1923. \$3.00.)
- SIEGFRIED, B. *Repetitorium der Nationalökonomie*. Third edition. (Bern: Paul Haupt. 1922. Pp. 91.)
- SILVERMAN, H. A. *The substance of economics*. (London: Pitman. 1923. Pp. 363. 6s.)
- SMITH, A. *Eine Untersuchung über Natur und Wesen des Volkswohlstandes*. Translated by E. GRÜNFELD. Vols. I, II. (Jena: Fischer. 1923.)

SOMBART, W. *Soziologie*. (Charlottenburg: Pan-Verlag Rolf Heise. 1923. Pp. 228.)

SPANN, O. *Fundament der Volkswirtschaftslehre*. Third edition. (Jena: Fischer. 1923. Pp. xvi, 382.)

STOLZMANN, R. *Wesen und Ziele der Wirtschaftsphilosophie*. (Jena: Fischer. 1923. Pp. 52.)

STRIGL, R. *Die ökonomischen Kategorien und die Organisation der Wirtschaft*. (Jena: Fischer. 1923. Pp. vii, 164.)

WEBER, A. *Das Diplomexamen für Volkswirte*. (Jahrb. für Nationalök. und Stat., April, 1923.)

A discussion of the requirements for the diploma to be given to students of economics at the end of their high school course and of the opposition which the introduction of this diploma meets with on the part of the universities, with some reference to the doctor's degree given by the latter.

R. R. W.

WEBER, M. *Hauptprobleme der Soziologie*. (Leipzig: Duncker & Humblot. 1923. Pp. xxii, 389; vii, 352.)

WICKSELL, K. *Vorlesungen über Nationalökonomie und Grundlagen der Marginalprincipes*. Vol. II. *Geld und Credit*. (Jena: Fischer. 1922.)

ZEIGER, P. *Einführung in die Volkswirtschaftslehre*. (Leipzig: G. A. Gloeckner. 1922. Pp. vi, 106.)

Bibliographie der Sozialwissenschaften mit besonderer Berücksichtigung der Wirtschaftswissenschaften. Jahrgang 15, 1919. (Berlin: Hans Engelmann. 1923.)

Geschichte, Theorie, und Politik. (Leipzig: Teubner. 1922.)

Grundriss der Sozialökonomik. Part II in two divisions. Second edition. (Tübingen: Mohr. 1923. Pp. 309 and 220.)

This is part of an encyclopedic work on economics contributed to by forty-eight of the leading economists in Germany. The first division contains chapters by Hettner on the geographical basis of economics; by Mombert, on population, with a short but acute criticism of Malthus; by Michels, on racial characteristics; by Oldenberg, on consumption; by Herkner, on the conditions of human labor in various times and places. The second division, by von Gottl-Ottlilienfeld, contains a very detailed description of industrial management and technique, including a criticism of the Taylor efficiency system.

R. R. W.

Grundzüge der Volkswirtschaftslehre nach der Darstellungsweise des Lehrbuches von Philippovich unter Berücksichtigung der Lehren von Wieser, Spann, Grünberg für Studienzwecke zusammengestellt. (Vienna: Carl W. Stern. 1922.)

Economic History and Geography

Germany's Capacity to Pay: A Study of the Reparation Problem. By HAROLD G. MOULTON and CONSTANTINE E. MCGUIRE. (New York: McGraw-Hill Book Company, Inc. 1923. Pp. xiii, 384. \$2.50 net.)

The question of German reparations seems of so impassioned a nature that it will probably be long before even economists in a distant

land can approach the subject with a cool, impartial mind. What Messrs. Moulton and McGuire, with the aid of the council and staff of the new Institute of Economics, have endeavored to do is to go over the whole question, sift out the statistical facts, and present a conclusion. The main thesis of the book is the obvious truth that the only fashion in which a nation can make any large foreign payments, over a series of years, is through the creation of an exportable surplus. Therefore a chief portion of the work is devoted to a very able and careful review of Germany's pre-war trade and financial position, to the present status of German trade and industry, and her present import requirements and export capacity. From this extended review the authors arrive at the following judgments (page 139):

1. Since Germany now has and can have for many years to come practically no net international income from the invisible sources, her ability to obtain the foreign bills of exchange with which to make reparations payments will depend almost entirely upon her foreign trade.

2. Since the whole German economic system has developed in such a way that roughly 20 per cent of the population cannot live unless food continues to be imported and that most of the factories cannot possibly operate without foreign raw materials, the procurement of indispensable imports must take precedence over everything else.

3. The imports required to maintain the German population in a state of physical efficiency and to enable the German factories to operate at something like pre-war capacity, total in value about 14 billion gold marks, as compared with actual imports in 1922 of only about 6.2 billion gold marks.

4. German exports must therefore equal 14 billion gold marks merely for the purpose of paying for the necessary imports. In 1922 they were less than half of this total.

5. German capacity to make reparation payments continuously year after year will be determined by the extent to which exports can be made to exceed 14 billion gold marks.

6. At the present time the total of Germany's imports of foodstuffs and raw materials, combined with the total of domestic production, is wholly insufficient to support the population in a state of efficiency and to permit the operation of the factories.

7. Export markets for German goods have been very greatly curtailed since the war because of the general impoverishment of Europe and the erection everywhere of tariff barriers against German goods even by the identical countries which declare that Germany can and must pay in full.

These conclusions are supported in an extended appendix which gives in detail Germany's international trade and financial accounts, its gains from the sale of paper marks, foreign purchases in Germany, and the like. Aside from all this the authors review the problem of maintaining the German government in the post-war period and consider the causes of German currency expansion, and ask whether the policy of inflation was avoidable.

There are also excellent chapters on "What Germany has paid and

how," the reports of the Reparations Commission, "The international implications of the problem," and, finally, an extremely interesting account of the means by which France met the indemnity of 1871, revealing how radically different from now were the conditions which then made those payments possible.

It is evident that all this material has been gathered and presented with great care. Perhaps with an effort towards compression certain propositions are set down, in a rather dogmatic way, to which many economists would not readily assent. And even on the statistical side it will probably be objected that the authors have taken the figures for German trade, and especially exports, at their face value, despite the fact that the unrecorded exports of Germany throughout the entire period of the so-called "deutsche Ausverkauf" must have been enormous. From 1920 onwards Germany was overrun with hordes of tourists and buyers, attracted by the cheapness of goods, measured in foreign exchange. Her shops, her trains were crowded to the limit, but not with Germans. They were very largely foreign buyers and the writer can testify that there appeared to be no effort to collect any kind of export duties upon the personal purchases of the tourists.

The shops were filled with beautiful goods, there was evidently a high rate of production and but little unemployment, and, so far as the writer could observe, but little actual privation save among the more thrifty and cultured classes whose savings had been expropriated by the unconscionable robbery of inflation. It is the general testimony of her own people that the agrarian class has profited heavily by post-war conditions, and in many parts of Germany, especially the west, there has been a high degree of industrial activity.

Few travelers could make such an investigation and believe that Germany's real income had been cut down to such an extent as is estimated in this work. Without subscribing to any of the foolish talk about Germany's "great prosperity," it was still difficult to believe in very widespread suffering or impoverishment. The real wealth of a nation can neither be added to nor destroyed by vast additions to its currency and however upsetting it may be to business calculations, or however destructive it may be to people of small fixed incomes, it seems also clear from Germany's industrial position in the last three years that the real productivity of the nation cannot be destroyed, even by the most reckless of fiscal and inflationary policies.

A second observation would be that this book seems to propose that the course of a nation's international balances over a given period is a practical measure of its capacity to pay a foreign debt; and therefore that because Germany's pre-war balances were inadequate it could make no such reparations payments as have been demanded. The

writer is one of those to whom the Versailles Treaty seemed an utter violation of the spirit and letter of the Armistice agreement, and of good sense as well, shutting the door on any real peace in Europe for another generation at least; and the reparations assessments of the worst imaginable policy, -making it difficult if not impossible for the German people successfully to set up a republican government and rid themselves of an autocratic and offensively militaristic monarchy. Nevertheless, it seems as if this work would have gained if it had been clearly set forth that the capacity to create an exportable surplus, for a great industrial and exporting nation, is determined almost wholly by its capacity to tax its people, and that this in turn is pretty narrowly dependent upon its normal annual surplus of production over consumption.

But one point made by the authors can scarcely be emphasized too strongly. They ask, "Is the world determined to prevent an expansion of German exports?" and add:

One can find no more striking illustration of human fatuity than the demand on the part of the Allied countries that Germany must make vast reparation payments and the simultaneous erection of tariff barriers, the result of which is to make such payments impossible. The tragedy is that even yet few people realize that any inconsistency is involved.

CARL SNYDER.

NEW BOOKS

- ARRINGTON, B. F., editor. *Municipal history of Essex county in Massachusetts*. Tercentenary edition. (New York: Lewis Hist. Pub. Co. 1922. Pp. 1200. \$32.50.)
- BACHI, R. *L'Italia economica nell'anno 1921. Anno XIII.* (Città di Castello: Casa Tip-Ed. S. Lapi. 1922. Pp. xi, 460. 24 lire.)
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- BRODERICK, J. J. *Report on the economic, financial, and industrial conditions of the United States of America in 1922.* Published by His Majesty's Stationery Office. (London and New York: Oxford University Press. 1923. Pp. 206. \$1.25.)

Practically the whole field of American industrial enterprise in 1922 is covered in this report. It contains in addition much of the history of American industries during the war period, together with a discussion of the post-war situation in this country. Although in report form, it is not merely a compilation of figures and tables; in fact, the bulk of the volume is given up to an exposition of the business situation in, and prior

to, the year 1922. The main chapters are entitled Trade, Finance, Industries and production, Transport and communications, and Labor and employment. These titles, however, do not adequately suggest the contents of the volume. The first chapter, on trade, discusses, in addition to current matters concerning imports and exports, the emergency financial measures of the United States immediately after the war, the repatriation of American securities, the investment of American capital abroad, trade propaganda, and the work of the various bureaus of the Department of Commerce. In like manner, the chapter on finance contains an interesting discussion of the budget, the work of the Federal Reserve Board, foreign trade financing, the work of the War Finance Corporation, and foreign branches of American banks. Herein is also a good summary discussion of the railroad situation in this country, including such matters as government control, the Plumb plan, the Transportation act of 1920, the course of railroad rates, legislation affecting the railroads and the railroad labor question. The American merchant marine comes in for a share of the discussion; also traffic on the inland waterways, including the new canal projects of the country. The final chapter, on labor and employment, is devoted to a discussion of trade unionism in this country, the "open shop" movement and related questions.

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An account of the economic relations between France and Holland during the French Revolution, throwing some light on the course of the assignats, and the supposed machinations of Pitt and the Bank of Amsterdam.

MATTERN, J. *Bavaria and the Reich. The conflict over the law for the protection of the republic*. Johns Hopkins University studies in historical and political science, series XLI, no. 3. (Baltimore: Johns Hopkins Press. 1923. Pp. 125.)

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The contents of this volume are based on a paper read by Mr. Meserve at the one hundred and thirteenth meeting of the National Association of Cotton Manufacturers. The volume gives a very good idea of the manufacturing enterprise which grew out of the ideas of Francis C. Lowell. Incidentally, the book also contains material on labor conditions in the New England cotton industry, a summary of labor laws applying to the industry, a brief account of the manufacture of cottons in New England, the rise of labor unions in the Lowell district, and other matters of similar nature. Mr. Meserve lays emphasis on the welfare work which has characterized the industry throughout the greater portion of its history. The questions in the mind of the founder of the enterprise were whether the "native New Englanders were not of too high caliber to be easily persuaded to come to the towns and to work in the mills. What would be the effect on their character? Could they be induced to leave their country homes unless their welfare were securely safeguarded? All these questions were considered by Lowell, and to meet them he originated what later became known as the 'Waltham System,' based on the conviction that efficient means must be adopted for the moral and physical welfare of the operatives."

For many years the system was a success. Only in later times, with the change in character of the operatives, and with the large inflow of foreign workers into the industry, was it necessary to abandon the system. The author introduces much material to show that the welfare policies met with the approval not only of the workers, but of many interested parties who visited Lowell to witness the operation of the system. That the operatives were able to produce a periodical of no mean literary worth, and that from their numbers came such well-known characters as Lucy Larcom, Harriet Robinson, and Margaret Foley, speaks well for the social life which was developed under the guidance of the Company.

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Agriculture, Mining, Forestry, and Fisheries

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Manufacturing Industries

NEW BOOKS

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- CLEMEN, A. R. *The American livestock and meat industry.* (New York: Ronald. 1923. Pp. ix, 872. \$6.)
- COOKE, J. H. *The velvet and corduroy industry.* Pitman's common commodities and industries. (London: Pitman. 1923. Pp. 125. 3s.)
- DARBY, W. D. *Silk, the queen of fabrics. Wool, the world's comforter.* (New York: Dry Goods Economist, 239 West 39th St. 1922. Pp. 71; 107. \$1.50 each.)

The silk and wool industries respectively are briefly surveyed from the raw material to the finished product, with descriptions of manufacturing and marketing methods, and a number of full-page illustrations. *Silk* contains also chapters on the history of silk culture and manufacture, world production and consumption, and imitations of silk. *Wool* includes an historical account, and chapters on the world's wool production, classification and marketing, and the manufacture and use of shoddy. Each volume contains a useful little dictionary of fabrics.

- DOVISAT, E. *Die Industrie in der deutschen Volkswirtschaft.* (Berlin: Zentralverlag. 1922. Pp. 80.)
- FULLER, H. C. *The story of drugs.* (New York: Century. 1923.)
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- SACHS, J. C. *Furs and the fur trade.* Pitman's common commodities industries. (New York: Pitman. 1923. Pp. xi, 128. \$1.)
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- Manual of sugar companies.* (New York: Farr & Co. 1923. Pp. 52.)
- Printing and allied industries; a list of books and periodicals.* (Newark, N. J.: Free Public Library. 1922. Pp. 19. 10c.)
- The rubber industry; census of manufactures, 1921.* (Washington: Supt. Docs. 1923. 5c.)
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Transportation and Communication

NEW BOOKS

- BUNDY, C. L. *Historical review of the past fifty years.* (New York: Maritime Assoc. of the Port of New York. 1923. Pp. 143.)
- CHAMBERLAIN, J. P. *The régime of the international rivers: Danube and Rhine.* Columbia University studies in history, economics and public law, vol. CV, no. 1. (New York: Longmans. 1923. Pp. 317. \$3.50.)
- CHAPIN, R. D. *How highway transport coöperates.* (New York: Nat. Automobile Chamber of Commerce. 1923. Pp. 12.)
- CHATBURN, G. R. *Highways and highway transportation.* (New York: Crowell. 1923. Pp. xx, 472. \$3.)

In containing both a history of American highways and a discussion of some of the leading engineering and economic problems involved, this volume differs from most works of its kind. While the book includes a great deal of technical matter, it is presented in a simple and interesting way. The author's purpose has been to "sketch briefly and simply

the development of the transportation systems of the United States, to indicate their importance and mutual relations, to present some practical methods used in the operation of highway transport, and to make occasional suggestions for the betterment of the road as a usable machine for the benefit and pleasure of mankind."

There are chapters on the transportation development of the United States, waterways and canals, railroads, the modern wagon road, automotive transportation, the planning of highway systems, the relation of the cost of transportation to marketing and production, and methods of financing highway construction. The book also contains interesting chapters on highway accidents, methods of beautifying the highways, and aids to highway travel. An abundance of illustrations make clear many of the points of discussion.

The author correctly lays emphasis on the need of effective transportation for the betterment of farm conditions; yet he does not approve of indiscriminate highway building. The road system should be planned with reference to certain economic ends which the state has in mind. A relatively small mileage in a well-planned system answers a better purpose than a larger mileage scattered aimlessly over the country. Hence the necessity of making a road census to reveal the kinds and volume of traffic, and other matters involved in economy in construction and operation. Systems might be planned with reference to the wider needs of the nation as well as of state and local needs.

The author discusses the perennial struggle among the different competing systems of transportation, such as railroads and trucks, and in the case of urban transportation, between the street car and the bus and automobile. His conclusion on this point is that: "There is a legitimate field for these buses in the smaller cities, and on streets in large cities not easily reached by, or upon which it is not desirable to have, street-car tracks. But they should not be free lances—they should be under regulations as street cars are under regulations, they should make scheduled trips, they should be backed by capital or insurance sufficient to pay indemnities in cases of accident, and upon payment of license fees should be entitled to protection and possibly monopoly in their prescribed territory." In short, there is a place in the country for various kinds of transportation, but an effective system of transport demands that each be used to give the best results in its own field.

ISAAC LIPPINCOTT.

EWING, A. J. *The railroads, their troubles and remedy.* (Wichita, Kan.: Southwestern Pub. Co. 1923. Pp. 64.)

HOLT, W. S. *The office of the chief of engineers of the army: its non-military history, activities, and organization.* Institute for Government Research, Service monographs, no. 27. (Baltimore, Md.: Johns Hopkins Press. 1923. Pp. xii, 166. \$1.)

JEFFRIES, T. C. *The postal system of the United States and the New York general post office.* (New York: Mfrs. Trust Co. 1922. Pp. 88.)

MEYER, H. H. B. *Additional references relating to mercantile marine subsidies.* Reprint of 1911 edition. (Washington: Supt. Docs. 1923. Pp. 20. 10c.)

OLDHAM, J. E. *The problem of railroad consolidations; its nature and the*

- factors involved in its solution. Reprinted from the Harvard Business Review. (Boston: Merrill, Oldham & Co. 1923.)
- SCHWIEDLAND, E. *Das Transportwesen*. Third edition. (Stuttgart: Kohlhammer. 1923. Pp. 39.)
- WHITE, P. *Motor transportation of merchandise and passengers*. (New York: McGraw-Hill. 1923. Pp. vi, 486. \$4.)
- WILLIAMS, W. H. *Economical operation of American railways*. (Washington: Railway Accounting Officers Assoc. 1923. Pp. 12.)
- The Bureau of Public Roads; its history, activities and organization*. Institute for Government Research. Service monographs, no. 26. (Baltimore; Johns Hopkins Press. 1923. Pp. 123. \$1.)
- Facts and figures of the automobile industry*. (New York: Nat. Automobile Chamber of Comm. 1923. Pp. 96.)
- Final report of the Imperial Shipping Committee on the deferred rebate system*. (London: H. M.'s Stationery Office. Pp. 56. 1s.)
- The greater London traffic problem: a scheme for its solution*. (London: London Municipal Society and National Union of Ratepayers' Associations. 1923. Pp. 11.)
- A list of references on the proposed consolidation of railroads*. (Washington: Bureau of Railway Econ. 1923. Pp. 29, mimeographed.)
- Rates of New York City as fixed by the Public Service Commission, and notes of explanation*. (New York: N. Y. Tel. Co. 1923. Pp. 24.)
- Record of American and foreign shipping, 1923*. (New York: Am. Bureau of Shipping. 1923. Pp. 1584.)
- The traffic man's handbook*. (Scranton, Pa.: Intern. Text Book Co. 1923. Pp. 386.)
- The port of Milwaukee; historical, descriptive, and prospective*. (Milwaukee: Board of Harbor Commissioners. 1922. Pp. 32.)
- Report of the Department of Public Utilities on the transportation facilities within the metropolitan district, under ch. 55 of the resolves of 1922*. (Boston: Mass. Dept. Pub. Utilities. 1923. Pp. 127.)
- A study of the Louisville & Nashville Railroad Company, one of the most comprehensively developed railroads of the South*. (New York: Brown Brothers & Co., 159 Wall St. 1923. Pp. 20.)

Trade, Commerce, and Commercial Crises

Cotton and the Cotton Market. By W. HUSTACE HUBBARD. (New York: D. Appleton & Company. 1923. Pp. ix, 503. \$2.50.)

The reading public interested in business subjects is indebted to the author of this book for a carefully prepared, detailed description of the practices followed and of some of the principal problems encountered in the production and marketing of American cotton. The author, a member of a firm of cotton merchants, describes the chief phases of the production of raw cotton, dealing particularly with the

problem of the cotton boll weevil, with the relationship of grade and staple to the valuation of cotton, and with the relationship between weather conditions and the size and quality of the crop.

Under the subject of marketing, the author deals with the processes of ginning and compressing, warehousing, the work of producers' marketing associations (not from the public point of view, but rather from the private, acquisitive point of view of the producers themselves), the functions of the several agents in marketing at various stages of procedure (the country merchants, street buyers, supply merchants, cotton buyers and shippers, international traders and spinners' brokers), and then he devotes nearly all of the latter part (more than half) of the book to the discussion of the organization and practices of the three leading cotton markets of the world, New York, New Orleans and Liverpool.

The author gives special attention to the New York spot and futures markets (or market, for he stresses the point that spot and futures dealings are all in one market) and the practices therein on the New York Cotton Exchange. This part of the book is rich in detailed descriptive matter and there is frequent use of concrete illustrations of situations which are of daily occurrence in the market.

The author sees as the central problem in the futures market the problem of "basis," that is, the price relationship between future contracts and even-running spot cotton, and his discussion of hedging as trade insurance is built upon the problem of "basis." He gives a very good discussion of different methods that have been, or that may be, used in solving the problem of grade differences, and states quite clearly the advantages and disadvantages of the several methods. It is in this part of the book that the author departs most from the simple method of description and indulges in critical comment. It might be added also that the critical comments on this particular subject have been made more successfully in the reviewer's opinion than have the critical comments and the argumentative discussion that appear in other parts of the work.

In the last section of the book the author deals with the subject of speculation on the exchanges in a manner which makes him appear to be on the defensive regarding the practice of hedging in the market. He seems to recognize three classes of hedging operations, namely, straight hedging (which has its justification in the "basis" problem), semi-speculative hedging (which combines with the first kind of insurance that against other "non-basis" risks), and purely speculative hedging. The author is of the opinion that purely speculative operations represent probably not more than about 25 per cent of the transactions on the New York Cotton Exchange. He thinks that "specu-

lation is a method of assisting the distribution of both supply and demand, so that they will meet the more constantly and easily for the benefit of the whole community (pp. 446, 447). He distinguishes between competent and incompetent speculation, and between hedging to reduce a risk already present and hedging to incur a risk that need never have been incurred at all. Probably the majority of the readers of this review would be in accord with the author's principal conception of the functions of the futures market and of hedging therein, without being in sympathy with some of his arguments against some proposed substitutes for present marketing methods. It is questionable whether the defects of governmental control during the war in any field should be mobilized as arguments applicable directly to peacetime conditions. The statement that "some historians have maintained that the government mismanagement of the grain trade was one of the primary causes of the collapse of the Roman Empire" (p. 451) does not seem to be either very pertinent or very conclusive. Also it is rather difficult to reconcile the statement that "there is one fundamental error in all the regulations proposed, and that is, they are unworkable unless they are prohibitory, and in the second case they are unenforceable" (p. 452) with the statement that "it is the duty of the exchanges to strictly enforce their own rules which are sufficient to check much of the abuse. The exchange authorities have been awakened to the necessity of controlling their members and, in the past twenty years, they have strengthened many of their rules and have adopted new regulations," (p. 453). It may very likely be true that regulations can better be made and enforced by members of the trade than by the government, but that they cannot be enforced by the government has not, it seems to the reviewer, been proved.

STANLEY E. HOWARD.

Princeton University.

NEW BOOKS

BASTABLE, C. F. *The commerce of nations*. Revised by T. E. GREGORY. Ninth edition. (London: Methuen. 1923. Pp. 212.)

BISHOP, A. L. *Outlines of American foreign commerce*. (Boston: Ginn & Co. 1923. Pp. 321. \$3.)

The title, *Outlines of American Foreign Commerce*, indicates clearly the scope of the volume. As intended, it furnishes a background for the study of foreign commerce both for the collegiate student and for the business man who wishes to broaden his interest in and knowledge of American business. In the first eight chapters of the book, Professor Bishop makes a distinct contribution in the concise summary of the bases for American foreign trade and the extent of that trade. To give a balanced understanding of the relation of natural resources and American industries to foreign trade is no small task; its difficulty is aggravated when such discussion must be confined to a few pages. The first four

chapters, covering this subject, while touching only the high spots and containing nothing novel, are admirably concise. Furthermore, in the discussions of export and import trade Professor Bishop has avoided becoming engulfed in the quicksand of statistical detail.

The second half of the book, dealing mainly with transportation, marine insurance, and financing, is historical in treatment, showing in each case the development of facilities for carrying on business and the relation of present facilities to American foreign trade. Two chapters deal with the promotion of American foreign trade and with the promotion of foreign trade by leading foreign exporting countries. A brief discussion of commercial policy concludes the work.

As a whole, Professor Bishop has provided in convenient form the information which ought to be in the possession of every student who contemplates the study of foreign trade and of every business man whose interest in business extends beyond considerations of internal management.

H. R. T.

BORRIES, H. K. *Die Handels- und Schifffahrtsbeziehungen zwischen Lübeck und Finnland.* Probleme der Weltwirtschaft, 36. (Jena: Fischer. 1923. Pp. xix, 214.)

BRECHT, K. *Handelskunde und kaufmännischer Briefverkehr in drei Büchern.* 1, Unterstufe. 2, Mittelstufe. 3, Oberstufe. (Düsseldorf: L. Schwann. 1922. Pp. viii, 98; viii, 106; viii, 170.)

BÜNNAGEL, E. M. *Die Eignungsprüfung in ihrer wirtschaftlichen und sozialen Bedeutung.* (Cologne: Paul Neubner. 1923. Pp. 74.)

FLEISCHMANN, G. *Handelsgeographie.* Teil 1. *Mit Erlass des Ministeriums für Schulwesen und Volkskultur vom 7. Juni 1922.* (Reichenberg: Franz Kraus. 1922. Pp. 200.)

FREYSOLDT, G. *Die Tabakmärkte.* (Dresden: Tabakwirtschaftliche Rundschau. 1922. Pp. 64.)

GEPHART, W. F. *European trade barriers.* (New York: Nat. Foreign Trade Council. 1923. Pp. 9.)

DE HAAS, J. A. *Foreign trade organization.* (New York: Ronald Press Co. 1923. Pp. 378. \$3.)

On several occasions the reviewer has expressed in these columns a hope that more specialized and more intensive works upon the various phases of foreign trade would appear to supplement the material of a sketchy and general nature which has so far constituted the bulk of literature in this field. It is with distinct pleasure, therefore, that he takes up Professor de Haas' book, *Foreign Trade Organization*, because it is evident at the outset that he has so circumscribed his task that he is not confronted with the necessity of covering the entire field of foreign trade within the compass of a moderate-sized volume. As a consequence, the book, while not exhaustive as to detail, is by all means the most thorough original work upon foreign trade organization in the English language. The work is an objective study of what the writer prefers to call the "external organization" of foreign trade, dealing with the marketing structure developed in modern times for the transaction of international trade, but stopping short of a study of the organization of individual concerns for the transaction of that trade.

Briefly stated, the book contains an introductory chapter upon factors in international competition, followed by a discussion of international trade statistics, and a chapter upon tariffs and their relation to foreign trade. A chapter upon governmental trade promotion brings together much interesting material as to the work of foreign governments in the encouragement of foreign trade, heretofore available only with considerable difficulty. The same may be said of the fifth chapter, upon chambers of commerce, as well as the later chapters upon exhibitions and fairs. The discussion of transportation takes up the international railroad convention and the relation of railroads to international railroad policy; likewise, ocean transportation and the war's effect upon international coöperation. In his consideration of transportation the author does not omit reference to the air service, which is rapidly assuming a prominent place in the transportation of passengers and the more valuable freight; while a chapter upon communication takes up postal and telegraph service. The treatment of the organization of raw material markets comprises the discussion of auctions and auction markets, the exchanges of various types, the relation of world conditions to prices, the warehousing system, and the types of transactions carried on in such markets. Marketing organization as applied to manufactured products is treated in the chapter upon foreign traders. Two chapters upon the legal position of the commercial concern at home and abroad conclude the work. A complete bibliography of the important books upon foreign trade in various foreign languages is to be found in the appendix.

The command of foreign literature has given Professor de Haas access to a fund of information which is closed to many readers upon foreign trade topics—in fact, apparently to some of those who have attempted to write upon the subject. His treatment of such subjects as fairs, exhibits, commercial museums, and the organization of raw material markets reveals his knowledge clearly. Though not so exhaustive as the older work of Hellauer in its classification of the various marketing factors in foreign trade organization or as that of Sonnendorfer Ottel in its treatment of particular commodities, *Foreign Trade Organization* fills a distinct gap in English foreign trade literature, and Professor de Haas performs a service not only in making this accessible but also in bringing our knowledge up to date.

HARRY R. TOSDAL.

- HAHNEBACH, B. *Der Terminhandel in Woll und Kammzeug*. (Leipzig: Wilhelm Schunke. 1922. Pp. 144.)
- HALL, F. and COLLAR, G. *The story of commerce*. (London: Pitman. 1923. Pp. 223. 2s. 6d.)
- JAHNL, W. *Die Entwicklung und Bedeutung der Handelsmessen*. (Leipzig: C. Grunbach. 1922. Pp. 177.)
- MAIRET, G. *Trade, transport, and finance. With examination questions in the theory and practice of commerce, business organization, and commercial correspondence*. (London: Author, City of London College. 1923. Pp. vii, 444. \$2.40.)
- MOORE, H. L. *Generating economic cycles*. (New York: Macmillan. 1923. Pp. xi, 141.)
- MUKHERJI, P. *The coöperative movement in India*. Third edition, rewritten and enlarged. (Calcutta: Thacker. 1923. Pp. lxxx, 468.)

- SCHWARZ, A. R. *Die deutsche Ausfuhrkontrolle nach dem Kriege.* (Greifswald: Ratsbuchh. L. Bamberg. 1923. Pp. 126.)
- SELFRIDGE, H. G. *The romance of commerce.* (New York: Dodd, Mead. 1923. Pp. 422. \$5.)
- VITA, E. *Principi di economia commerciale.* (Turin: Bocca. 1923. Pp. 1, 653. 25 l.)
- Foreign trade of China, 1921.* Part II. *Analysis.* Vol. II. *Exports.* (Shanghai: The Maritime Customs. 1922.)
- Handbook of commercial treaties.* (Washington: Supt. Docs. 1923. 75c.)
- Handel und Industrie der Schweiz im Jahr 1921.* (Zurich: Vorort des Schweizerischen Handels- und Industrie-Vereins. 1922. Pp. vi, 437. 9 fr.)
- Information regarding customs procedure, shipping and insurance.* (New York: American Express Co. 1923. Pp. 55.)
- Relazioni per la conversione in legge del Regio decreto—legge 9 giugno 1921, n. 806, che approva la nuova tariffa generale dei dazi doganali.* (Rome: Tip. della Comera dei Deputati. 1923. Pp. 460, cdxxxiii.)
- Resolutions adopted at the second congress (Rome, March 1923).* (Paris: Inter. Chamber of Commerce. 1923. Pp. 101.)
- Review of existing methods of marketing of Queensland fruit with concrete proposals for reorganisation of the industry.* (Brisbane: Queensland Producers' Association. 1923. Pp. 84.)
- Tenth national foreign trade convention, held at New Orleans, La., May, 1923.* (New York: Nat. Foreign Trade Convention Headquarters, Hanover Sq. 1923. Pp. 440.)
- Contains papers on: European progress during the last year, by J. W. Jenks; European trade barriers, by W. F. Gephart; and reports of group sessions on Expanding exports, Trading with Latin America, Foreign credits, Trading with the Far East, Financing foreign trade, Export advertising.
- Vergleichende Uebersicht über die Zollsysteme der wichtigeren Handelsstaaten.* (Berlin: Deutscher Industrie- und Handelstag. 1922. Pp. 156.)

Accounting, Business Methods, Investments, and the Exchanges

- Applied Business Finance.* By EDMOND E. LINCOLN. (Chicago: A. W. Shaw Company. 1923. Pp. xviii, 772. \$4.00.)

Most books on business finance have been too exclusively devoted to problems chiefly of importance to large corporations while many of the problems of great importance to small or average-sized concerns, whether incorporated or not, have received but scant attention. Even in the case of the large corporations' problems the existing literature appears to have concentrated attention on what may be called the external financial policy and given but slight notice to the problems

of internal financial organization and administration. It is evidently with this situation in mind that the author of this volume declares: "The aim of this book is to discuss those problems of business finance which actually arise from day to day in the *average* industrial concern, including both manufacturing and trading enterprises." The usefulness of the volume will be chiefly measured by the success with which these gaps have been filled.

Beginning with an attempt to state the normal financial problems of an average industrial concern and to point out the importance of the business cycle in its effect upon these problems, the author proceeds to discuss the forms of organization, types of securities, and the methods of raising both fixed and working capital from the different available sources. Two chapters are devoted to financial statements, their interpretation and financial standards, following which there is a fairly extended discussion of the use of the commercial bank, commercial paper house, trade and bank acceptances, and various other ways of raising working capital. The author then devotes four chapters to the financial aspects of purchasing, of production (a full chapter being devoted to the proper scale of production), and of selling. After a chapter on mercantile credit, the last two chapters are given over to the distribution of earnings, reorganization and bankruptcy.

This outline indicates that the material presented is much more comprehensive in scope than that generally found in books devoted to business finance. The subjects ordinarily treated, such as promotion, methods of determining net earnings, etc., are here discussed in much less detail, and the financial problems peculiar to railroads and public utilities are purposely omitted. As a compensation we are given in considerable detail a discussion of the various methods available for raising working capital for different purposes, with a careful analysis of their respective advantages and disadvantages. These problems are among the most perplexing financial questions which face the ordinary business man, and this discussion, combined with the constant insistence upon the necessity of adjusting the financial policy to the varying stages of the business cycle, will for many prove to be the most valuable portion of this book.

On the other hand the considerable space devoted to the financial aspects of purchasing, producing, and selling reflect a tendency, rather frequently in evidence in this book, to wander pretty far beyond what seem to be the boundaries of business finance proper. Such questions as the most efficient size of the business unit, standardization of products, controlling the source of raw materials, price maintenance or how much to spend for advertising appear to the reviewer to be pri-

marily problems of business administration rather than of purely financial policy. Undoubtedly there is no hard and fast line that can be drawn between financial and other phases of business administration; but it is difficult to discover any particular reason for discussing these topics in a volume devoted to finance any more than any one of a dozen others that might be mentioned. Of course financial considerations and conditions will affect the decision as to any of these questions and that decision will in turn react upon financial policy; but it is the desirability of a given policy of business administration rather than the reaction of that policy on the financial administration that appears to hold the center of the author's attention throughout these chapters. A more nearly rounded out volume would have resulted had the space so used been employed instead for topics either omitted or but briefly developed. Among such might be named the various taxes to which business concerns are subject, the variations in the corporation laws which chiefly affect corporation finance, greater emphasis on the importance of a budget and its use as a device for fiscal control, while throughout some account of administrative devices which might be employed for carrying the various policies advocated into effect would certainly have made the volume more practical. It should be added that at all times the author is cautious about laying down set rules of action or fixed policies, but has sought rather to enumerate the factors which must ordinarily be taken into consideration in a typical problem—certainly the wisest method.

CHESTER W. WRIGHT.

University of Chicago.

Depreciation of Public Utility Properties and Its Relation to Fair Value and Changes in the Level of Prices. By HENRY EARLE RIGGS. (New York: McGraw Hill Book Company. 1922. Pp. ix, 211.)

This volume is the most complete published presentation of the view that depreciation should not be deducted from the cost new in the determination of fair value for public utility rate making. From its particular standpoint the book is excellent. The basis of valuation presented is the actual cost of the property used in the public service, without any deduction for depreciation. It is implied, but not definitely stated, that no adjustment should be made for fluctuating prices affecting the reproduction cost of the properties. If the properties have been adequately maintained and if renewals have been made as needed, the author believes that the original cost should be used as the rate base without deduction for depreciation.

The book brings up an issue which has been extensively debated for many years, has been beclouded by bias and special pleading, and, of

course, is not finally disposed of by Mr. Riggs, or much less by this review. The idea has been almost uniformly supported by corporation lawyers and engineers testifying for public utility companies, but has been opposed by practically all commissions and other public authorities. It should be stated, however, that the author appears thoroughly sincere in his avowal of the theory, so that the book deserves consideration as a scientific discussion and not a brief for the companies.

The subject is treated by the author from three standpoints although they are not specifically thus stated: (1) The question of fact as to what is really involved in the matter of depreciation; (2) What is the best practical policy; and (3) The court decisions.

First, as to what is really involved, the basic question is how the cost of periodically renewable plant and equipment is properly charged to operating expenses to determine the cost of service. The author believes that the charge should be made at the expiration of the useful life of each unit of plant or equipment as renewals are made, while the reviewer contends that it should be apportioned through the service life on the basis of relative annual use. A third method would be to make the charge at the time of purchase. Which method is in principle correct?

This is a matter of correct cost accounting, and the principle involved is the same as in the use of materials and supplies. Take a large purchase of coal: the proper charge to operating account, or to the cost of the product, follows actual consumption; it is not made at the time of purchase or at the time of renewal of the supply. The entire cost is charged to "supply" account as an asset, and is charged off to operation as it is actually used in production. Is this procedure not correct, and does not the purchase of plant and equipment involve exactly the same realities?

Suppose a new street car has cost \$10,000 and has a useful life of twenty years, what is the proper charge to cost of service: the full \$10,000 at the time of purchase or renewal, or roughly, \$500 a year during the period of service? Does it not appear obvious that the original cost is a capital charge, which is properly written off to operating expenses as the car is consumed in operation, exactly as materials and supplies are transferred to operating account on the basis of actual consumption? But, in the case of materials and supplies, the proportionate cost is credited to the asset account directly as consumption takes place, while with plant and equipment the amount is credited to a reserve and is finally cleared when the units of property are retired. The substance is the same; taking all the plant and equipment together, the net assets at any given times are equal to the original cost less the accumulated reserve for depreciation. But, in

a large proportion of cases these figures are not properly shown by the accounts, and must be determined by a valuation. The basic facts, however, are necessarily the same whether shown by the accounts or determined by valuation estimates.

Second, as to the practical policy, in individual cases it may be simpler to charge operating expenses with the cost of renewal and replacement rather than with depreciation. This, however, is a matter of expediency, and does not change the underlying fact that the units of plant and equipment are actually consumed in service during the period of use, and that the cost properly belongs to operating expenses accordingly. This is true whether a company owns a few large units or has a greatly varied property. What actually takes place does not depend on the number, size and variety of units, but these factors may affect accounting and management policy.

It is true, of course, that if the actual investment entitled to a return has once been determined, then for the future it would make no difference either to investors or the public which policy is pursued, whether operation is charged with depreciation or with the cost of renewals, provided that it is consistently followed. The total return to the company and the total cost to the consumers for a period of years would obviously be the same. But the point is important where the amount of investment entitled to a return has not been fixed and is up for determination. In such cases it makes a big difference whether the full cost of the property is used as a rate base, or the cost less depreciation, and, it would seem, that as a matter of simple fairness the basic facts should control. Mr. Riggs would include in the rate base costs which properly belong to *past operation*, while there should be included only costs belonging to *future operation*.

Third, as to court decisions, the author seems unconsciously to have picked language and fitted it to his views. The courts, of course, have said various things at different times under special circumstances, and there are dicta to support the author's ideas. But, with fair consideration of the facts, if any one point in valuation has been finally determined by the Supreme Court of the United States, it is that depreciation is properly deducted from cost new in determining the net value of a property for rate purposes. The court decisions bearing on depreciation are given the consideration of an entire chapter, besides an appendix of citations and analyses covering 62 pages. Unfortunately, it is impossible within the limits of this review to cover concretely any of the cases discussed, but it is safe to predict that the author's treatment will appear disingenuous to most serious students on the subject.

In conclusion, the book elaborates a point of view which involves

a direct public interest of many billions of dollars and affects the great majority of people. The point justifies several books for proper determination.

JOHN BAUER.

New York City.

Audit Working Papers: Their Preparation and Content. By J. HUGH JACKSON. (New York: American Institute of Accountants Foundation. 1923. Pp. ix, 201 and 98 unnumbered pages of schedules and exhibits. \$5.00.)

This excellent addition to accounting literature is all that its name implies and much more. It might well have been called "The Auditor's Guide—Alpha to Omega." It is not encumbered with accounting theory. Every typed page and every page of facsimile schedules and exhibits contains practical information for use in the conduct of an audit or investigation.

The contents of the book may be divided into four classes:

1. Specific procedure to be followed in auditing. This is covered in thirteen chapters and requires 169 pages for its presentation.
2. Schedules and exhibits prepared apparently as facsimiles. There are 98 schedules and exhibits in appendices A and B which illustrate correct methods of compiling audit working papers and of making them most useful through cross references.
3. A seventeen page bibliography of books and periodicals divided into three parts, covering the following subjects: I, Auditing procedure and professional practice; II, Business subjects allied to accounting, including a few references on accounting theory; III, Non-par-value stock.
4. A complete index covering the appendices and bibliography as well as the text material.

The text material dealing with auditing procedure is very aptly interwoven with the schedules and exhibits, reference to which is frequently made. A balance sheet audit is selected for the discussion and reference is made throughout to the Federal Reserve Board bulletin, *Approved Methods for the Preparation of Balance Sheet Statements*.

Mr. Carl H. Nau, past president of the American Institute of Accountants, correctly interprets the importance of this book when he states in the Introduction that there is no book in existence dealing with this important technical branch of an auditor's work and that there have been only three magazine articles written in America on this phase of the profession. The fact that another book on this same subject has come off the press of another publishing house since the book under review has been put on the market also indicates the

demand that seemed to exist for a work of this nature. Although the greatest use of *Audit Working Papers* doubtless will be realized as a reference book by young accountants, it should receive considerable recognition as a textbook on auditing procedure in the better university schools of commerce.

Even if one does object to the author's use of the word "cheque" and to the phrase "profit and loss account" in place of profit and loss statement, he must observe that the author has been identified with a firm which is accustomed to the practices and customs of the British Isles. There is a possibility that the average reader will not fully comprehend the distinction between economic and accounting capital (pp. 50-51); nor the distinction between assets and resources implied in the sentence (pp. 116-117): "Strictly speaking, however, treasury stock is never an asset—at most it is only a resource, and the practice of showing such an item as an asset should be adopted only in rare instances."

A point concerning the schedules might arise in using them for teaching purposes. It would help the inexperienced auditor or student somewhat if the schedules were marked in some way to show which ones go to the client as part of the report and which are merely to be filed in the accountant's office. The mechanical details in the schedules have been carefully looked after, good accounting and auditing procedure has been promulgated throughout, while the necessity on the part of the auditor to exercise good judgment and common sense has been mentioned in several places. Among the most valuable parts of the text material may be noted the chapters dealing respectively with the indexing and filing of working papers and reports, the auditing of inventories, and the verification of reserves.

That the ones who might be expected to receive the greatest benefit from the book have not been overlooked may be observed from the words of advice to the junior accountant inserted from time to time in the text material.

HIRAM T. SCOVILL.

University of Illinois.

NEW BOOKS

AHLQUIST, J. E. *How to make money; a complete explanation of the great difference between the real earning power of money as against its mere renting power.* (New York: W. Siegrist & Co., 9 Murray St. 1922. Pp. 42. 10c.)

AMSTER, I. *Commercial law, including recent examination questions.* (New York: Globe Bk. Co. 1923. Pp. 179.)

AUMUELLER, F. O. *The mechanics of advertising.* (Milwaukee: Cramer-Krasselt. 1922. Pp. 96. \$2.)

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Balance sheets and profit and loss statements, analyzed and defined for business executives. Classification and definition of ledger accounts. Financial reports for industrial executives. (Boston: Chamber of Commerce, Bureau of Commercial and Industrial Affairs. 1923. Pp. 34.)

New modern illustrative bookkeeping; elementary course journal method; based upon new modern illustrative bookkeeping introductory course. (New York: Am. Book Co. 1923. Pp. 152. \$1.40.)

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Operating expenses in the wholesale grocery business in 1922; in retail grocery stores in 1922; in department stores in 1922; in retail jewelry stores in 1922. Bulletins nos. 34, 35, 37, 38, Harvard University, Bureau of Business Research. (Cambridge: Harvard Univ. Press. 1923. \$1 each.)

Pennsylvania tax free bonds classified. Eighteenth edition. (Philadelphia: Barclay, Moore & Co. 1923. Pp. 52.)

Prices, profits and production; how to determine the effect of manufacturing effort and volume on costs, selling prices, and profits. (New York: Nat. Assoc. Cost Accounts. 1923. Pp. 12. 75c.)

A punched card system of inventory control. (New York: Nat. Assoc. of Cost Accountants. 1923. Pp. 18.)

Report of proceedings of the Association of National Advertisers, annual meeting, November, 1922. (New York: Assoc. Nat. Advertisers. 1923. Pp. 106.)

Some economic fallacies common among cost accountants. (New York: Assoc. Nat. Advertisers. 1923. Pp. 9.)

Special report on municipal accounts by the state comptroller, transmitted to the legislature, March 17, 1922. (Albany, N. Y.: Comptroller's Office. 1922. Pp. 289.)

Uniform classification of accounts for gas utilities, prepared by committee on statistics and accounts of public utilities and recommended for adoption by state commissions at the annual meeting of the National Association of Railway and Utilities Commissioners held in Detroit, Mich., November, 1922. For water utilities, recommended October, 1921. (New York: State Law Reporting Co. 1923. Pp. 100; 100.)

Capital and Capitalistic Organization

NEW BOOKS

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- BYERS, G. K. *Byers on Kentucky corporations, containing the laws of Kentucky pertaining to private corporations generally, banks, railroads and various miscellaneous companies, excepting insurance, as amended to January 1, 1923, together with decisions, commentaries, forms and precedents*. (Cincinnati, O.: W. H. Anderson Co. 1923. Pp. 35, 544.)
- HILFERDING, R. *Das Finanzkapital*. (Vienna: Wiener Volksbuchh. 1923. Pp. xii, 477.)
- LEVY, F. H. *The anti-trust laws with special reference to the Mennen Co. decision, the hardwood lumber decision and the Edge resolution*. (New York: Beacon Press. 1922. Pp. 31.)
- THOENES, W. *Die Zwangssyndikate im Kohlenbergbau und ihre Vorgeschichte*. (Jena: Fischer. 1921. Pp. viii, 169.)
- WALDECK, H. *Deutsches und internationales Kartellrecht. Recht, Wesen und Statuten der Syndikate, Konventionen und Interessengemeinschaften nebst einer Erläuterung der Verordnung über die Leistungsverbände vom 22. Juli, 1921*. (Berlin: Heymann. 1923. Pp. xi, 554.)
- Public utilities reports, containing decisions of the public service commissions and of state and federal courts*. (Rochester, N. Y.: Public Utilities Reports, Inc. 1923. Pp. xlii, 952.)
- Some matters of interest regarding the Standard Oil Company of New Jersey as summarized by its president for the information of the United States Senate and the public*. (New York: Evening Post Job Print Office. 1923. Pp. 21.)

Labor and Labor Organizations

NEW BOOKS

- ADAMS, W. W. *Coal-mine fatalities in the United States, 1922*. Bureau of Mines, technical paper 339. (Washington: Supt. Docs. 1923. Pp. 97.)
- ASSAN. *Le contrôle ouvrier en Italie*. (Paris: Giard. 1922.)
- BERNHARDT, J. *The Railroad Labor Board: its history, activities, and organization. The Division of Conciliation: its history, activities and organization*. Institute for Government Research, Service monographs, nos. 19, 20. (Baltimore: Johns Hopkins Press. 1923. Pp. x, 81; x, 35. \$1. each.)
- BÖTCHER, H. *Zur revolutionären Gewerkschaftsbewegung in Amerika, Deutschland und England*. (Jena: Fischer. 1922. Pp. xiv, 236.)
- BOWERS, J. H. *The Kansas Court of Industrial Relations*. National social science series. (Chicago: McClurg. 1922. Pp. 133. \$1.)
- Dr. Bowers' monograph is ambitious and partisan. He hopes his book "will lead to the establishment of similar tribunals by the other states and

the federal government." Most of the space is given over to a discussion of the need of such a court, the right of the state to establish it, the circumstances surrounding the establishment of the court in Kansas, and the approval which it has found there. One chapter, of 28 pages, deals specifically with the work of the court. It was written before the miners' and shopmen's strikes of 1922. The author's open partisanship and his impatience with the critics and opponents of the court will militate against the acceptance of his findings.

D. A. McC.

CALDER, J. *Capital's duty to the wage-earner. A manual of principles and practice on handling the human factors in industry.* (New York: Longmans. 1923. Pp. xii, 326. \$2.25.)

As the title indicates, the author has written a treatise on industrial relations from a somewhat unusual angle. Many books are designed for the instruction of employers or their managerial assistants, but they usually have to do with the principles or technique of personnel management rather than the ethics of management in its relations with wage earners.

It is not surprising that one who has been for many years engaged in industrial management and therefore in close association with capitalists and employers should understand their practices and motives, but it is a bit uncommon to find in the same man an almost perfect appreciation of the viewpoint of the laboring man. Coupled with this full knowledge of both sides of the problem is a judicial fairness and a perfect frankness of expression which will disarm prejudice and carry conviction to the mind of the reader.

The teaching of the book may be summed up briefly as follows: The workingman wants five things: "a steady job, adequate real wages, a good foreman, a voice in settling his own conditions, and a chance to rise," and it is the duty of employers to see that he has all of these.

Labor unionism, employers' associations, the "open" and "closed" shop, employees' representation, profit-sharing, ownership-sharing, management-sharing, unemployment, immigration, constitute the principal chapter headings, but in a work of this sort topics and divisions are of far less importance than the fundamental purpose and the method of treatment. These can best be exemplified by quotations selected more or less at random. "Employers should bear in mind that, whether unionism is much in evidence or not, labor has innate solidarity." "Today we live in a different age. Capital and capitalists became so arrogant that the public rose in rebellion and laws designed to curb their power and their tyranny were placed on the statute books. . . . the times have changed . . . democracy and not the dollar is in the saddle, industry must consider human lives as well as profits." "The employer has wished upon himself. . . . the 'hard-boiled' executive. . . . The higher up he is the more harm he can do and the harder he is to reform." "Modern industrial relations are nothing more or less than organized common sense directed towards attaining desirable business and social ends." "No excuse, of course, can be found for the 12-hour day, regardless of whether necessity or a low standard of life inclines some workers to accept it." "There are decided objections, however, to rating and working the employee as if he were a machine; and they are not in the least disposed of by giving a wage which is the envy of all less energized workmen."

It will be impossible for any reader to agree with the author in all respects. It is probable that he goes somewhat too far in condemning the present practices of what he calls "official unionism" and in his assumption that company unions are all that is necessary for the future.

CARROLL W. DOTEN.

CARROLL, M. R. *Labor and politics. The attitude of the American Federation of Labor toward legislation and politics.* (Boston: Houghton Mifflin Co. 1923. Pp. xix, 206. \$2.00.)

This study was awarded honorable mention in Class A in the Hart, Schaffner & Marx prize contest for 1921-1922. As its subtitle indicates, it deals with the policies of the American Federation of Labor with reference to legislation and methods of securing or opposing legislation. In the matter of political policies the author has confined herself closely to the Federation. She has not attempted to present the ideals or programs of labor groups outside it, nor those of individuals or minorities within the Federation. The pronouncements of the conventions of the Federation, of its committees, and of its authorized spokesmen mark the limits within which she has sought the attitude of organized labor toward political means and measures.

By far the greater part of the book is descriptive. Attitudes and the reasons for them fill the bulk of its pages. The treatment in this part of the study is fairly objective. The author lets the conventions of the Federation or its spokesmen state their case in their own words. The result is a useful addition to the available literature on the political aims and activities of the American Federation of Labor down to the year 1922. Apparently, material was added after the monograph was submitted to the judges, in order to include events that had happened after the study had been originally closed. The results are not always happy. The author states (p.157) that "in the case of the Coronado Coal Company, the Supreme Court awarded three-fold damages against an unincorporated union on charges of conspiring to restrain trade." Obviously the author had not carefully read the decision before adding it to her monograph.

In addition to the objective presentation, Dr. Carroll furnishes an appraisal of the Federation's program and even of some of the practices of trade unions that have no necessary connection with legislation or politics. The criticism of union policies in the economic field is neither original nor searching in its analysis. At times, too, the author fails to make clear that the Federation itself has no control over the policies of the affiliated unions with respect to such matters as admission to membership. On the side of political policy, the author generally commends the "non-partisan" policy of the Federation. This judgment is avowedly influenced by the fact that the Federation's policy is in harmony with the author's view of the proper relation to the state of the various groups within it.

D. A. McCABE.

COLE, G. D. H. *Out of work. An introduction to the study of employment.* (New York: Alfred A. Knopf. 1923. Pp. 96. \$1.)

DAS, R. K. *Factory labor in India. Factory legislation in India. Hindustani workers on the Pacific coast. The labour movement in India.* (Berlin: Walter De Gruyter & Co. 1923. Pp. 216; 192; 126; 112. \$1.20; 80c each.)

DIEHL, K. *Arbeitsintensität und Achtstundentag.* (Jena: Fischer. 1923. Pp. 52.)

DOUGLAS, P. H., and others. *The worker in modern economic society.* (Chicago: Univ. Chicago Press. 1923. Pp. xxxii, 929. \$4.50.)

FINER, H. *Representative government and a parliament of industry.* (London: Fabian Society and Allen & Unwin. 1923. 7s. 6d.)

FULLER, R. G. *The meaning of child labor.* National social science series. (Chicago: McClurg. 1922. Pp. 133. \$1.)

Mr. Fuller gives a vivid portrayal of the hazards to which child-laborers are subject and argues forcefully for the abolition of child-labor as a step toward the advancement of child welfare to a stage consistent with social expediency and justice to the children. His attack is centered on the employment of children of 14 and 15 years of age. Only a small part of his space is devoted to child-labor laws as such. The emphasis is on standards in legislation and the necessity of seeing to it that the proper substitutes, such as education, play, and incidental children's work, are provided for child-labor.

D. A. McC.

GALTON, F. W. *The tailoring trade.* Studies in economics and political science: Select documents, no. 1. (London: King. 1923. Pp. xcviii, 242. 5s.)

Re-issue of a volume published in 1896.

GEYER, C. *Radikalismus in der deutschen Arbeiterbewegung.* (Jena: Thüringer Verlagsanstalt und Druckerei. 1923. Pp. vii, 111.)

GUYOT, G. *La loi des huit heures en France et ses conséquences économiques.* (Paris: Vie Universitaire. 1922.)

HAAS, F. J. *Shop collective bargaining. A study of wage determination in the men's garment industry.* Studies in the social sciences, vol. II. (Washington, D. C.: Univ. Press. 1922. Pp. vi, 174. \$1.)

HAMILTON, W. and MAY, S. *The control of wages.* (Workers' bookshelf series. (New York: George H. Doran Co. 1923. Pp. xiv, 185. \$1.50.)

Avenues of inquiry, not solutions, are what the authors offer in this little book, intended as an exposition for "the men and women workers in industry" of the factors that affect wages, with especial reference to the possibilities of control of these factors by the workers to the end that real wages may be increased. No attempt is made to assess the extent to which wages have been so controlled or to deal in quantitative terms with the possibilities of increase in any particular occupation or industry. Rather is it the authors' purpose to provide a syllabus of the elements that must be regarded in each specific case.

As an introductory survey of the factors affecting wage rates, this is a good piece of work. It is excellent in its treatment of the limits which exist at any time to what can be gained by groups of workers from other receivers of income, as contrasted with the possibilities of enlarging labor's share through increased production. The attention of the reader is repeatedly brought back to the latter as the most promising method of increasing real wages. The book is written in a very readable style which trespasses at times on the facetious. Not the least attractive fea-

ture of the volume is the use of pertinent quotations from Mr. Dooley to head the chapters.

D. A. McC.

HERTZ, P. und SEIDEL, R. *Arbeitszeit, Arbeitslohn, und Arbeitsleistung.* (Berlin: Verl. Gesellsch. Allgem. deutsch. Gewerkschaftsb. 1923.)

HOBSON, J. A. *The economics of unemployment.* (New York: Macmillan. 1923. Pp. 157.)

HOENIGER, H., SCHULTZ, R., and WEHRLE, E. *Jahrbuch des Arbeiterrechts.* (Mannheim: J. Bensheimer. 1922. Pp. xix, 317.)

HOFFHERR, R. *Le boycottage devant les cours anglaises.* (Paris: Giard. 1923. Pp. 180.)

JANES, G. M. *American trade unionism.* National social science series. (Chicago: McClurg. 1922. Pp. 138. \$1.00.)

Professor Janes has apparently set himself the task of presenting trade unionism in a favorable light to readers who are unfamiliar or unsympathetic with it. Within the limits which he has marked out for himself he has done a good job. He gives much information and the story moves against a background of reality and of understanding on the author's part of what it is all about. It seems, however, that he has given a disproportionate amount of the restricted space at his disposal to the Shingle Weavers and the Hart, Schaffner & Marx agreement. One result is that the regulatory policies of the unions get too scant treatment.

D. A. McCABE.

KLEIN, P. *The burden of unemployment. A study of unemployment measures in fifteen American cities, 1921-22.* (New York: Russell Sage Foundation. 1923. Pp. 260. \$2.)

KORN, K. *Die Arbeiterjugendbewegung. Einführung in ihre Geschichte.* (Berlin: Arbeiterjugend-Verlag. 1923. Pp. 97.)

LEYMAN, H. *Anthrax in the tannery industry.* Studies and reports, series F (industrial hygiene and accidents), no. 7. (Geneva: International Labor Office. 1923. Pp. 30.)

LOAF, T. *Der Kampf der Kohlenarbeiter in den Vereinigten Staaten von Nordamerika.* (Hamburg: Verlag der Kommunistischen Internationale. 1922. Pp. 67.)

LOSOWSKY, A. *Frankreich und die französische Arbeiterbewegung in der Gegenwart.* (Berlin: Phoebus-Verlag. 1922. Pp. 140.)

MALACHOWSKI, W. A. *Recht auf Arbeit und Arbeitspflicht.* (Jena: Fischer. 1923. Pp. viii, 262.)

PANETH, E. *Das österreichische Arbeiter-Recht in Industrie, Handel und Gewerbe.* (Vienna: M. Perles. 1923. Pp. 52.)

PAPI, G. U. *Il lavoratore alla gestione dell' impresa.* (Milan: Z. Vallardi. 1923. Pp. xii, 454. 22 l.)

PHILLIPS, M. *Frauen- und Kinderarbeit in der Textilindustrie.* (Amsterdam: Internationaler Gewerkschaftsbund. 1922. Pp. 32.)

SELLS, D. *The British Trade Board system. An enquiry into its operation.* (London: London School of Economics. 1923. 12s. 6d.)

- SHADWELL, A. *The engineering industry and the crisis of 1922*. (London: Murray. 1922. Pp. 90. 1s. 6d.)
- VIANA, M. *Sindacalismo: teoria e praxis delle organizzazioni economiche e di resistenza*. (Bari: G. Laterza. 1923. Pp. xxxii, 250. 15 l.)
- WEBB, S. *The Labour party on the threshold*. (London: Fabian Bookshop. 1923. Pp. 15.)
- Annuaire de la législation du travail, années 1914 à 1919*. Tome I. (Brussels: Ministère de l'Industrie et du Travail. 1923. Pp. 547. 20 fr.)
- The anthracite emergency of 1922-23, and how it was handled; submitted to the United States Coal Commission on behalf of the General Policies Committee of Anthracite Operators*. (Philadelphia: Comm. Anthracite Operators. 1923. Pp. 22.)
- Capitalism in the pillory. Labour speeches in support of Mr. Snowden's socialist motion in the House of Commons*. (London: Labor Party, 32 Eccleston Sq. 1923. Pp. 36.)
- General principles for the organisation of factory inspection*. (Geneva: Intern. Labor Office. 1923. Pp. 37.)
- Health and unemployment insurance. Third interim report of interdepartmental committee*. (London: H. M.'s Stationery Office. 1923. 3d.)
- Industrial relations*. (Rochester, N. Y.: Eastman Kodak Co. 1923. Pp. 36.)
- International labour conference. Fourth session*. French and English text. Two volumes. (Geneva: Intern. Labor Office. 1922. Pp. 1166.)
- Kansas Court of Industrial Relations, with list of references*. Labor laws of U. S. series, bull. 332. (Washington: Supt. Docs. 1923. Pp. 51. 10c.)
- Report of the twenty-third annual conference of the Labour party, London, 1923*. (London: Labor Party, 32 Eccleston Sq. 1923. Pp. 296.)
- Statistics of wages and industrial matters and of retail and wholesale prices, rents, and cost of living, 1896 to 1922*. (Pretoria: Office of Census and Statistics, Union of South Africa. 1922. Pp. 124. 2s. 6d.)
- The third winter of unemployment. Report of an enquiry undertaken in the autumn of 1922*. (London: P. S. King & Son. 1923. Pp. viii, 350. 6s.)
- According to newspaper reports, unemployment in Great Britain during the coming winter is likely to be as great a problem as it has been during the three preceding years. This lends added interest to a detailed study of the problem as it presented itself in nine selected localities during August and September, 1922, published under the title *The Third Winter of Unemployment*. The study was undertaken by a committee of public men of diverse economic and political views, which included in its membership A. L. Bowley, Henry Clay, and B. Seebohm Rowntree.
- The results of the study are presented in two parts, part I giving a general survey of the extent of the problem, and part II containing the local reports of the nine industrial centers that were studied. There are also a number of appendices containing tables of local and industrial

distribution of unemployment; production and export of iron, steel, ships and coal; and expenditure on relief of unemployment.

Rarely do we get the facts of a period of unemployment reported from a first hand investigation in as valuable form as this. Not only are the extent of the problem and the effects of the depression presented in substantial quantitative form, but the working out of the relief measures is analyzed and evaluated in a scientific and competent manner. The character of the work may be gathered from some of the findings of the investigation and conclusions reached by the committee:

"The years 1921 and 1922 are the worst in the records of unemployment in this country. . . . A fifth or more of the industrial power of the country is running to waste. The measures of relief that have been adopted are so far successful that there has been, until recently, less political agitation than accompanied the depressions of pre-war years, depressions that compared with this were trivial.

. . . . We find that unemployment is heavily concentrated in the localities dependent on shipbuilding, engineering, the metal industries, and docks. . . . the major industries mentioned above account for the condition of five-sixths of the districts suffering from exceptional unemployment. . . . There are 100,000 more engineers employed though not full time, than were employed in June 1914. The war, it would seem, attracted into these industries an enormous number of men for whose work there is at present no demand."

With respect to relief measures, three conclusions seem to be justified: "(1) That the worst effects of unemployment in the way of privation and physical deterioration have been prevented; (2) that the chief incidence of distress is on a different section of the wage-earning classes from that on which it fell in pre-war depressions; (3) that the demoralization that, according to pre-war theories, would have been expected to result from the provisions of maintenance without work has not yet shown itself.

The absolute physical suffering that accompanied the less severe depressions of the pre-war years has been prevented, and 'the progressive deterioration which inevitably attaches to the condition of being maintained without work,' of which fears were entertained, is not yet evident on any extensive scale.

. . . . The Insurance Scheme, it must be recognized, is only a contribution to the relief of the unemployed. . . . It is impossible suddenly to change fundamentally the basis of the Insurance Scheme in the midst of an unprecedented depression, without undermining its specific insurance character. The essence of insurance is the proportioning of benefits to contributions; any departure from this confuses with relief. . . . We believe that the principle of contributory insurance is the proper principle on which to base provision for ordinary trade fluctuations; the extension of the Insurance Act, therefore, to meeting other needs seems unfortunate and inexpedient."

W. M. LEISERSON.

The twelve-hour shift in industry. By the Committee on Work-Periods in Continuous Industry of the Federated American Engineering Societies. (New York: E. P. Dutton & Co. 1922. Pp. ix, 302. \$3.50.)

The body of this volume is made up of two reports, one by Horace B. Drury and the other by Bradley Stoughton. Dr. Drury's report is in the nature of a general survey of the problem in all continuous industries,

whereas the Stoughton report, which is much briefer, deals exclusively with the iron and steel industry. These two reports are preceded by a summary of the findings of each and a further summary of those conclusions in regard to the change from the twelve-hour shift to the eight-hour shift which are found in both reports. There is also a foreword by President Harding.

The undertaking and conduct of this inquiry by a committee of engineers mark a signal advance toward the subjection of industrial policy to the canons of justice and the promotion of the welfare of *all* groups concerned. The initial impulses to the studies which are published in this volume came from a desire to discover how the twelve-hour shift might be done away with. Not production, not reduction of cost, but the elimination of a socially undesirable feature affecting the human element in industry was the object of the inquiry. The engineers' committee started with the assumption that "the twelve-hour shift day is too long when measured by twentieth-century ideas as to the proper conduct of industry." They proceeded by way of "fact-finding and fact-using" to measure the length and breadth of their problem and outline the steps necessary for its solution. They studied the extent of the twelve-hour practice, canvassed the experience of those who had substituted for it a shorter shift and checked off the cost of totally eliminating the twelve-hour shift under various sets of attendant circumstances.

The humanitarian motive back of these studies has not prevented the turning out of a volume of substantial scientific value. The data seems to have been carefully digested and is conservatively presented. Most of the work was pioneering in unstudied fields and, though it lacks statistical completeness, it established many things within fairly definite limits that had been the subject of guess work and controversial assertion. Finally, it is a matter of congratulation that the conclusions of the committee are favorable to the shorter work-day.

DAVID A. McCABE.

Wage changes in various countries, 1914 to 1922. (Geneva: Intern. Labor Office. 1923. Pp. 88. 40c.; 2s.)

Wages, hours and employment in American manufacturing industries. July, 1914—January, 1923, with supplemental data up to April, 1923. Research report no. 59. (New York: National Industrial Conference Board. 1923. Pp. 158.)

Women workers; what California has done to protect them; preliminary report. (Sacramento; California Industrial Welfare Commission. 1922. Pp. 14.)

Worker's register of labour and capital. (London: Labor Pub. Co. 1923. Pp. 223.)

Die Zukunft der Arbeit. Bd. 1, Heft 1, *Der Achtstundentag.* (Jena: Fischer. 1923. Pp. 40.)

Money, Prices, Credit, and Banking

NEW BOOKS

BAKER, K. W. *Old coins.* (New Haven: Yale Univ. Press. 1923. Pp. xiv, 76.)

- BATTISTA, M. *Codice del credito fondiario*. (Firenze: G. Barbera. 1923. Pp. 267. 20 l.)
- BEHRENS, K. L. *Paper money in Maryland, 1727-1789*. Johns Hopkins University studies in historical and political science, ser. 41, no. 1. (Baltimore: Johns Hopkins Press. 1923. Pp. 109.)
- BERGHOEFFER, C. W. *Meyer Amschel Rothschild. Der Gründer des Rothschild'schen Bankhauses*. Second edition. (Frankfurt a. M.: Englert & Schlosser. 1923. Pp. 244.)
- BOECKEL, R. *Labor's money*. (New York: Harcourt, Brace and Co. 1923. Pp. 181.)
- BONN, M. J. *Die Stabilisierung der Mark*. (Berlin: Verlag für Politik und Wirtschaft. 1923. Pp. 60.)
- BONNET, G.-E. *La politique monétaire anglaise d'après-guerre*. (Paris: Tenin. 1923.)
- BREWSTER, S. F. *Legal aspects of credit*. (New York: Ronald. 1923. Pp. viii, 549.)
- BRUNTON, J. *Letters on practical banking*. (London: Edward Arnold & Co. New York: Longmans, Green & Co. 1923. Pp. 144. \$2.50.)
- BYLES, J. B. *A treatise on the law of bills of exchange, promissory notes, bank notes, and cheques*. Eighteenth edition. (London: Sweet & Maxwell. 1923. 35s.)
- CABLE, J. R. *The Bank of the State of Missouri*. Columbia University studies in history, economics and public law, vol. CII, no. 2. (New York: Longmans, Green. 1923. Pp. 321. \$3.50.)
- CAILLEZ, M. *L'organisation du crédit au commerce extérieur en France et à l'étranger*. (Paris: Lib. Générale de Droit et de Jurisprudence. 1923. Pp. 376. 20 fr.)
- This is a very clear account of the attempts made by various countries to assist their foreign trade by bank credits and insurance. The suggestion made by M. Crozier of international *arbitrage*, the letters of lien and the letters of hypothecation which have been used by English bankers and the working of the British Export Credits Department are described. The last part of the book is occupied by an account of the creation and the functioning of the Banque Nationale Française du Commerce Étranger which was organized by the French government in 1919. R. R. W.
- CANNAN, E. *Its connection with rising and falling prices*. Fourth edition. (London: King. 1923. 3s. 6d.)
- CONWAY, R. S. *Foreign exchange simplified*. (New York: Brookmire Econ. Service. 1923. Pp. 15.)
- DESPAUX, A. *L'inflation dans l'histoire*. (Paris: Imp. Spéciale de l'Information, 7 rue Cadet. 1923. Pp. 511. 7.50 fr.)
- FOSTER, W. T. and CATCHINGS, W. *Money*. Publications of the Pollak Foundation for Economic Research, no. 2. (Boston: Houghton Mifflin. 1923. Pp. viii, 409. \$3.50.)
- FRAME, A. J. *Sixty years in banking, 1862-1922; some thoughts on banking*. (Waukesha, Wis.: Author. 1923. Pp. 14.)

HARBURGER, W. *Gleitende Währung. Mit einem theoretischen Anhang: Versicherung gegen Geldentwertung.* (Munich: Verlag von Duncker & Humblot. 1923. Pp. viii, 80.)

HAWTREY, R. G. *Currency and credit.* Second edition. (New York: Longmans, Green & Co. 1923. Pp. 442. \$5.)

HELFFERICH, K. *Geld und Banken.* (Leipzig: Hirschfeld. 1923. Pp. 674.)

HODSON, C., editor. *The fair rate of interest for small loans as made by money-lenders, repayable in monthly instalments; also anti-loan shark laws by states.* (New York: Legal Reform Bureau, 25 Church St. 1923. Pp. 179. \$1.)

JASTROW, I. *Geld und Kredit.* Fifth edition, rewritten. (Berlin: Heymann. 1923. Pp. viii, 199.)

KANE, T. P. *The romance and tragedy of banking. Problems and incidents of governmental supervision of national banks.* (New York: Bankers Publishing Co. 1923. Pp. xv, 549.)

Mr. Kane describes his book as follows: "It is not an essay on banking and currency nor a discussion of financial or economic theories. It is simply a narrative of evidence of more or less importance and interest in the history of the National Currency Bureau (the comptroller's office) with some original deductions and comments. It deals with men and measures, methods and motives in connection with the administration of the Bureau."

A reading of the book convinces one that the author has performed the task which he assigned himself very well indeed. No other person could have written such a book, for it is the result of the author's uninterrupted service of more than thirty-six years in the National Currency Bureau. He has personally known every Comptroller of the Currency except two, and has served five of them in a confidential capacity. The book contains a fund of information about the actual operation of the comptroller's office unobtainable elsewhere. The history of its operation under each comptroller is given without much effort to describe the work of the office in relation to the various banking and currency problems which have arisen since the establishment of the bureau.

There is considerable detailed information about such topics as national bank examination and national bank failures. On the latter point there is no other source of so much information. Although there is much of interest only to the banker, the student of finance and banking will find here the best description of how this bureau has operated, and the general reader will appreciate the manner in which Mr. Kane describes how the office often under difficulties of political pressure has performed its work. On a number of matters of public interest in connection with the comptroller's office, as for example, the discussions arising in the latter part of Mr. Williams' administration, the author supplies information for a revised judgment. One cannot help, after reading the book, having an added respect for such government officials as the author, national bank examiners, and others, who, notwithstanding the small salary often received and the ever-present political influence, have year after year performed a high-grade service for the public.

- BATTISTA, M. *Codice del credito fondiario*. (Firenze: G. Barbera. 1923. Pp. 267. 20 l.)
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There is little evidence of bias in the book, but all the while evidence that the writer has made an honest effort to evaluate fairly the character and work of each of the comptrollers.

W. F. GEPHART.

KERSCHAGL, R. *Theorie des Geldes und der Geldwirtschaft*. (Jena: Fischer. 1923. Pp. 144.)

KNAPP, G. F. *Staatliche Theorie des Geldes*. Fourth edition, revised. (Munich: Ducker & Humblot. 1923. Pp. xvi, 461.)

KOCH, A. *Der Warenkredit der Banken und seine Sicherstellung*. Second edition. (Jena: Fischer. 1922. Pp. viii, 128.)

LASSAR-COHN. *Gold und Papiergeld*. (Leipzig: Leopold Voss. 1922. Pp. 92.)

LEHFELDT, R. A. *Restoration of the world's currencies*. (London: P. S. King & Son, Ltd. 1923. Pp. xi, 146. 6s.)

"The soundest method of restoring currencies to stability and good working order lies in the old and tried gold standard." This is the quintessence of the present volume, the author of which is professor of economics in the University of Witwatersrand, Johannesburg. Comparing the merits of the gold standard with "managed paper money" (fiat money), the author comes to the conclusion that the value of "the monetary unit that is defined by means of gold" is primarily determined by natural causes, namely, demand and supply of gold and the cycle activity of trade, while fiat money according to the author can be regulated at will by the issuing authority. To overcome the fluctuations of the value of gold caused by its demand and supply, he suggests the formation of a gold syndicate which should exercise a monopolistic control over the output of gold and regulate its supply.

Analysis of the interests of the creditor and debtor class is made and the difficulties pointed out which are involved in the adjustment of the two groups under an appreciating or depreciating currency. The author discusses the necessity of free gold movements, the importance of gold reserves, international indebtedness, and the effects of the accumulation of gold in the United States. He reaches the conclusion that the present low value of gold is partly due to the lack of effective demand for gold and recommends a greater use of gold coin in everyday transactions.

The volume is of timely interest, and is written in popular style, making it possible even for the untrained man to understand some of the intricate problems of currency. However, the author deals with the subject mainly from the purely technical point of view, and overlooks almost entirely the more important economic problems such as balancing of budgets, and stabilizing balances of international payments, which are unconditional prerequisites for the restoration of the various currencies. Too much emphasis is laid on the importance of gold and too little on credit, in their relation to currencies and prices. The perfecting of the credit machinery of the various countries of the world has made it possible to have a redeemable currency on a smaller gold basis, and with the exception of a few countries in Central Europe, the question is not of additional gold, but of economic stability. A gold syndicate, as suggested by the author, would aid little in stabilizing prices, because prices are not less affected by business activity and credit expansion than by the

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demand and supply of gold, and, secondly, because the syndicate would have no control over gold already held by the various countries.

It is also not likely that the restoration of the world's currencies will be brought about by the action of an international committee, as the author is inclined to believe, but rather that each nation will adopt means best suited to its own interests and problems. Several European countries are already on the way to restore their currencies and almost every one of them has adopted a different scheme.

M. NADLER.

LEHNICH, O. *Währung und Wirtschaft in Polen, Litauen, Lettland und Estland.* (Berlin: R. L. Prager. 1923. Pp. xii, 356.)

LINDSAY, S. McC. and MOON, P. T., editors. *The money problem.* A series of addresses and papers presented at the semi-annual meeting of the Academy of Political Science, in the city of New York, November, 1922. (New York: Acad. Pol. Sci., Columbia Univ. 1923. Pp. vii, 176.)

LUTERBACHER, W. *Zur Krise des Schweizer. Hypothekar-Kredites während des Krieges und in der Uebergangszeit.* (Zurich: Orell Füssli. 1922. Pp. 151.)

MARSILI, C. *Piccola enciclopedia bancaria.* (Milan: U. Hoepli. 1923. Pp. 313. 15 l.)

MUHS, K. *Preispolitik und Preiskalkulation unter den Einwirkungen der Geldentwertung.* (Jena: Fischer. 1923. Pp. 60.)

MÜLLER, A. H. *Versuche einer neuen Theorie des Geldes. Mit erklärenden Anmerkungen versehen von Dr. Helene Lieser. "Der Herdflamme," Sammlung der gesellschaftswissenschaftlichen Grundwerke aller Zeiten und Völker, herausgegeben von O. SPANN, II. Band.* (Jena: Fischer. 1923. Pp. 331.)

OBENHAUS, K. M. *Die italienischen Wechselkurse während der Jahre 1914-1919, untersucht an der Hand der Cassel-Pohleschen Valutatheorie.* (Leipzig: Brandes & Co. 1923. Pp. 38.)

PAGET, J. *The law of banking.* Third edition. (London: King. 1923.)

PAPI, G. U. *Prestiti esteri e commercio internazionale in regime di carta moneta.* (Rome: Signorelli. 1923. Pp. 150.)

A discussion of the effect of foreign loans on prices in countries having an inconvertible paper currency. The author gives special attention to the theory of Professor Taussig, and in his last chapter discusses Cassel's "purchasing power parity."

PATTERSON, S. H. *Cost of deposit accounts.* (New York: Guaranty Trust Co. 1922. Pp. 8.)

RAWLINSON, A. *The true principle of money and its application in stabilizing the currencies.* (London: King. 1923. Pp. 16. 6d.)

ROSENTHAL, H. S. *Cyclopedia of building, loan and savings associations, how to organize and successfully conduct them.* Fifth edition, revised and enlarged. (Cincinnati: Am. Bldg. Assoc. News Pub. Co. 1923. Pp. xii, 554.)

- SHELDON, H. P. *Elementary banking*. (London: Macdonald & Evans. 1923. 7s. 6d.)
- SIMONAZZI, L. *Il cambio e le sue leggi*. Preface by M. MAZZUCHELLI (Milan: U. Hoepli. 1923. Pp. xiv, 271. 12.50 l.)
- STERN, E. *Der Höchstpreis*. (Munich: J. Schweizer Verlag. 1923. Pp. viii, 305.)
- TERHALLE, F. *Das deutsche Bankwesen*. (Berlin: Zentralverlag. 1922. Pp. 79.)
- . *Währung und Valuta. Eine Einführung in die deutsche Währungsfrage der Gegenwart*. Second edition, revised and enlarged (Jena: Fischer. 1922. Pp. 79.)
- TICKNER, F. W. *Women in English economic history*. (New York: Dutton. 1923. Pp. 239. \$1.50.)
- TREMAN, R. H. *Trade acceptances: what they are and how they are used*. (New York: Am. Acceptance Council, 120 Broadway. 1923. Pp. 76. 25c.)
- TRISCA, P. *Le chèque, son internationalisation et son risque professionnel*. (Paris: Giard. 1923. Pp. 290.)
An account of the use of checks and of the laws relating to the obligations of bankers and others in regard to them. The book deals chiefly with French usage, but contains frequent reference to that of other countries, and has annexes giving summaries of legislation on the subject.
R. W. W.
- TUCCI, E. *Le banche di depositi: controllo ed ordinamenti, il panico dei depositanti e le crisi*. (Rome: Soc. ed. l'Editoriale. 1923. Pp. 339. 30 l.)
- WILLIS, H. P. *The federal reserve system—legislation, organization, operation*. (New York: Ronald. 1923. Pp. xiv, 1765. \$10.)
- YVES-GUYOT. *L'or. Situation actuelle et prévisions. Communication faite à la Société de Statistique de Paris le 21 Mars 1923*. (Paris: Jour. de la Soc. de Stat. 1923. Pp. 27.)
- Agricultural credit*. Report of committee of the Ministry of Agriculture. (London: H. M.'s Stationery Office. 1923. 9d.)
- La Banca bergamasca di depositi e conti correnti, 1873-1923*. (Bergamo: Istituto Italiano di Arti Grafiche. 1923. Pp. 68.)
- Bank directory of New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut*. (Boston: Nat. Shawmut Bank. 1922.)
- British Association report on credit currency, finance and foreign exchanges*. (London: Burlington House. 1923.)
- Canadian banking practice*. Fourth edition, enlarged and revised to date. (Montreal: Canadian Bankers Assoc. 1923.)
- Changes in the cost of living, July, 1914—March, 1923*. Research rept. no. 60. (New York: National Industrial Conference Board. 1923. Pp. 34. 75c.)

The cost of a workingman's standard of living in Philadelphia at March 1923 prices. Citizens' business no. 567. (Philadelphia: Bureau of Municipal Research. 1923. Pp. 11.)

The control of retail credit. Nebraska studies in business, bull. no. 6. (Lincoln: Univ. Nebraska, Extension Division. 1923. Pp. 18. 50. c.)

Instructions of the Comptroller of the Currency relative to the organization and powers of national banks, 1923. (Washington: Supt. Docs. 1923. 45c.)

Maryland Bankers Association twenty-eighth annual convention, May, 1923. (Baltimore: Maryland Bankers Assoc. 1923. Pp. 134.)

Mémoires élaborés à l'occasion de la Conférence de la Haye, juin 1922. Supplément aux mémoires présentés à la conférence de Gènes. Finances publiques, circulation fiduciaire et banque d'état de la République des Soviets. (Paris: Banques Russes à Paris. 1922.)

Money in the United States. Bulletin no. 1 of the National Monetary Association. (New York: Nat. Monetary Assoc. 1923.)

This pamphlet is described in the prefatory note as one of a series intended to be informative and descriptive of fundamental problems in money and credit. In its general framework and manner of presentation it is well adapted to that end. It gives a succinct account of the various elements of our circulating medium and a somewhat fuller description of deposit banking as illustrated in the American system. Its usefulness, however, is impaired by several inaccuracies. Some of these errors are merely technical while others are seriously misleading to the uninformed reader.

On page 5 the relation between silver bullion and silver dollars is mentioned in a way which implies a sort of limited free coinage of silver. The statements concerning national bank notes suggest much greater opportunity for expansion of the amount outstanding than is actually the case. Notes may be issued up to 100 per cent of the issuing bank's capital, not to 125 per cent of capital and surplus (p. 6), and a comparatively small amount of government bonds now bears the circulation privilege. The dependence of our system on reserves of actual gold is exaggerated when it is said that the reserves against member bank deposits in federal reserve banks must be maintained in gold (pp. 9, 12), whereas they may be merely in lawful money. The lending operations of the reserve banks are loosely described by saying that they "lend their funds to some extent by purchasing United States government securities and short-term obligations of states, municipalities and banks; but they lend their funds principally by rediscounting. . . ." (p. 8). This overlooks the fact that investments have not infrequently exceeded holdings of commercial paper, and that advances on security collateral for a time surpassed rediscounts in amount. As a consequence the basis and potential amount of the credit extended by the federal reserve banks and its implications for stability of price levels are seriously obscured. The possibilities of the system are again glossed over (if recognized) in the statement that discounted paper must have not over 90 days to run (p. 8). The maximum was recently raised from six months to nine months. Finally, the significance of the federal reserve system will be largely lost to one who trustingly reads that "reserves need not be kept in the

vaults of member banks but *may* be deposited with the federal reserve banks" (p. 12; italics mine).

O. C. LOCKHART.

School savings banking during school year of 1922-23. Fourth annual report on systems throughout the United States with honor roll and comparative statistics. (New York: American Bankers Assoc. 1923. Pp. 15.)

School savings banking, including the standard method approved by the American Bankers Association, Savings Bank Division. (New York: Ronald. 1923. Pp. xi, 174.)

Special course in personal service for savings banks. (New York: Nat. Assoc. Mutual Savings Banks. 1923. Pp. 70. 50c.)

Columbia University, Teachers College, summer session, 1922, in coöperation with the women's division, National Association of Mutual Savings Banks.

Who's who in finance and banking, a biographical dictionary of contemporaries, 1920-1922. (New York: Who's Who in Finance, Inc. 1922. Pp. xvi, 935.)

Zur Frage der Geldentwertung. Das Gutachten des Obersten Gerichtshofes betreffend die Valorisation. (Vienna: M. Breitenstein. 1923. Pp. 22.)

Public Finance, Taxation, and Tariff

Public Finance. By M. E. ROBINSON. The Cambridge Economic Handbooks, III. (New York: Harcourt, Brace and Company. 1922. Pp. x, 172.)

Principles of Public Finance. By HUGH DALTON. Monographs of the London School of Economics and Political Science, no. 66. (London: George Routledge & Sons, Ltd. 1923. Pp. xii, 208. 5s.)

Public Finance, by M. E. Robinson, is the third of the recent series of Cambridge Economic Handbooks, the authors of which are the most distinguished among the younger economists of the Cambridge School. The chief purpose of the series, which has been brought out under the editorship of Mr. J. M. Keynes, is to give a clear statement of the most significant elements of economic method, so that "the number of those who can think for themselves may be increased." Hence particular emphasis has been placed on lucidity and accuracy of treatment rather than on the avoidance of difficult ideas.

If considered from the point of view of the aim of the series, Miss Robinson's book has been written with a fair degree of success. It exhibits many of the same qualities of analytical power, keen insight into our present economic organization and originality of style which are contained in other volumes of the series that have come to the reviewer's attention. The practical difficulties, however, of compressing the requisite material for a general treatise on public finance

into a slender volume of 172 pages are obvious. A large part of the historical and illustrative material which is vital in such a book has necessarily been omitted. For example, the entire subject of public expenditure is treated in a single introductory chapter. Likewise the question of equity in taxation is not given the attention commensurate with its importance, while the field of local finance, with all of its modern complexities, receives wholly inadequate treatment.

The author apparently believes that where considerable inequality of wealth exists the tax system should be based on ability to pay. This principle resolves itself into equality of sacrifice which in turn depends for its basis of realization, as exemplified in the reasoning of John Stuart Mill, simply on the "matter of opinion." Bearing in mind, also, minimum sacrifice, the state should take cognizance both of its present and future prosperity, so as to work as little injury as possible upon the permanent interests of the community.

One third of the book is devoted to a consideration of the problems of war finance and the post-war debt burden. In the opinion of the author any plan for the repayment of the European war debts by means of traditional methods will result in impeding economic development and possibly in prohibiting the state from undertaking necessary productive expenditure. Favorable consideration is given to the advantages, at least in Great Britain, of immediate repayment through a special levy on capital. The advisability of imposing such a tax would depend upon, first, the amount of revenue that could be realized, and secondly, upon the consequent reduction in taxation.

Professor Dalton has been more fortunate in presenting a well-balanced treatment of the theory and principles of public finance. As in the case of Miss Robinson's book, however, the reader will be disappointed that he has given practically no consideration to the problems arising from the local administration of taxes. We are told that comparatively few principles can be laid down with regard to financial administration, and it "therefore belongs to the stage of realistic study in public finance, rather than to that of general principles." The book comprises the substance of lectures given by the author at the London School of Economics, and is divided into four major parts: introductory, public income, public expenditure and public debts.

A cardinal maxim accepted by Professor Dalton as ideally governing any system of public finance is that of maximum social advantage. It is characterized as a principle which, though admittedly difficult of attainment, is obvious, simple and far-reaching. In theory, for example, public expenditure should be extended until the social advantage of a small increase is offset by the social disadvantage of a corresponding small increase in public income. Likewise, the total public revenue

should be distributed between different taxes and other sources of income in such a manner that the "marginal social disadvantages, or disutilities, of raising income from all these sources should be equal."

Continuing the idea of maximum social advantage, the author finds himself at variance on certain points with generally accepted principles. The distribution of the burden of taxation should be determined not on the basis of equity, which, being wholly a matter of opinion, is difficult of ascertainment and subject to frequent change, but from the point of view of economy. In this sense the best system of taxation is that which has the best (least bad) economic effects. The criterion of ability to pay becomes a question of the total economic welfare of the community. It is stated as a corollary that in a community in which great inequality of incomes prevails, there is no reason from the standpoint of economy why all, "or even the majority," of the members should contribute to taxation. The argument for universality in taxation on the ground that it tends to diffuse a sense of political responsibility and to impose a check on public extravagance is regarded as having little strength—an opinion in which the reviewer is unable to concur.

Professor Dalton, like Miss Robinson, is inclined favorably toward the policy of rapid payment of an internal public debt. Gradual repayment entails interest and sinking fund burdens, the effect of which is to check productivity and beneficial public expenditure. A policy of quick repayment, on the other hand, although temporarily necessitating a heavy burden, will make possible a reduction in future taxation as well as future increases in desirable public expenditure. It is his conviction, therefore, that Great Britain must sooner or later impose a special redemption levy on capital for the solution of the present debt problem.

TIPTON R. SNAVELY.

University of Virginia.

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- Deputies affecting several duties and the treatment of certain imports from countries enjoying the "most favored nation" clause.* (Rome: Segretario Generale, Associazione fra de Società Italiane per Azioni, via Cesare Battisti 121. 1923. 25 lire.)
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- New York state income tax laws; practical questions and answers; individual income tax and franchise tax on business corporations.* (New York: Irving Bank—Columbia Trust Co. 1923. Pp. 64.)
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Population and Migration

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- DAVIE, M. R. *A constructive immigration policy.* (New Haven: Yale Univ. Press. 1923. Pp. 46. 60c.)
- DIXON, R. B. *The racial history of man.* (New York: Scribner's Sons. 1923. Pp. xvi, 583.)
- HECKE, W. *Der Geburtenrückgang und seine Folge. Veröffentlichungen des Volksgesundheitsamtes im Bundesministerium für soziale Verwaltung, XX.* (Leipzig: Franz Deuticke. 1923. Pp. 20.)

- HENDRICK, B. J. *The Jews in America*. (Garden City, N. Y.: Doubleday. 1928. Pp. 171. \$1.50.)
- LANDWEHR, O. *Übevölkertes Land. Eine bevölkerungspolitische Studie über Gegenwart und Zukunft Europas*. (Vienna: W. Braumüller. 1928. Pp. iii, 59.)
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- The immigration problem in the United States*. Research report. no. 58. (New York: National Industrial Conference Board. 1928. Pp. 129. \$1.50.)
- Résumé statistique de mouvement de la population de l'Empire du Japon pendant l'an VIII de Taisho, 1919*. (Tokio: Imperial Census Department. 1922. Pp. 159.)
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Social Problems and Reforms

- How Much Shall I Give?* By LILIAN BRANDT. (New York: The Frontier Press, 100 West 21st. St. 1921. Pp. xi, 153.)
- What Can a Man Afford?* By PAUL and DOROTHY DOUGLAS, and by CARL S. JOSLYN. (New Haven, Conn.: American Economic Association. 1921. Pp. ix, 95; 23. \$1.00.)

These three ranking monographs in the Karelson Prize Competition are far apart in method. Although each has merits, none possesses that finality for which many minds yearn.

Miss Brandt is particularly apt in her analysis of "why we give," of "how we decide what to give," and of "how much we do give." She offers an illuminating historical review of the philosophy of giving, and

she knows how coöperative appeals and authoritative endorsements of organizations have made the charity of today more generous and more effective. Pertinently she insists that one cannot dodge his responsibility for the worthiness of the object of his gift even though he contribute through the community chest. Miss Brandt concludes with this "pragmatic formula": "A man can afford, and ought, to contribute to philanthropic purposes such part of his income as his informed intelligence, guided by a sincere concern for the common welfare, dictates; and this amount he can afford, and ought to give, 'even though he be the poorest man in Israel.'" Now would anyone not laboring under a "sincere concern for the common welfare" seriously ask the original question? Did not this quest arise because "the informed intelligence" was in desperate need of some external basis of judgment? Philosophically, Miss Brandt's solution is doubtless perfect; practically, she has used a hundred and fifty pages merely to restate her original question.

Mr. Joslyn is more concrete. He starts with the family budget and demonstrates that religious and charitable contributions must come out of the allotment for sundries. Therefore, the ideal total contribution will vary with that part of the income available for sundries. The variation will be progressive because ability to pay increases progressively. Yet, he holds, any principle of progression, however plausible, will appear upon analysis to be unsound "owing to the high degree of uncertainty involved on such abstruse points in the study of family budgets." Therefore, the scale of giving proposed is frankly arbitrary and tentative, although carefully framed to avoid overtaxing the lower income classes and lightly burdening the wealthy. To confirm and perhaps establish his idea, Mr. Joslyn reproduces the Chart for Givers prepared by the Interchurch World Movement in 1920. The concluding discussion of the question whether one should give to charity at all ought to have been put first. It is bad psychology to raise this question *after* telling one how much he should give.

Whether we ought to give does not worry the Douglasses. They start out by showing that the annual contributions of private funds to religion and philanthropy must amount to \$1,719,000,000 if the necessary work is to be done. Basing their estimate upon past records, they place the annual national need for fresh capital at \$6,000,000,000. Their problem, then, is to show how these two sums can be obtained from personal incomes after taxes have been paid and living expenses have been met. On these foundations, plus estimates of the distribution of incomes in the United States, the Douglasses work out a recommended scale of giving and of saving based on the income per equivalent adult male in the family. The suggested quotas are progressive

up to incomes of \$30,000 per equivalent adult male: from that point the scale is regressive because of the increasing burden of income taxes.

The work of the Douglasses is ingenious; the fundamental premises are satisfactory, the reasoning is sound. If we all gave and saved as they suggest the needs of philanthropy and of business would be met. Some criticisms, however, must be outlined. The prescription for saving does not provide sufficiently for independent old age until the higher income groups are reached. This is a vital defect in drafting an ideal plan. Again, it seems that the "equivalent adult male" is a highly involved concept to instil in the public mind. However, it would be easy to draft a table on the Douglas basis but outwardly resembling the Chart of the Interchurch World Movement. This table would be at once scientific and comprehensible to the masses. Finally, as the Douglasses would be the first to admit, family circumstances are so complex that no table of philanthropic quotas could be at once just and usable. Of many important variables the Douglas scale takes no account; for example—age of the head of the family, educational plans for the children, family debts, health, plane of living demanded by business or profession, etc. However, one seems forced to elect between an oversimplified scale that will work substantial justice and so futile a generalized formula as that of Miss Brandt.

It is therefore pertinent to suggest that a popularized statement of the Douglas scale can be used with great profit in those communities where the charities are coöperating in a common chest or fund. It is important to add the hope that the causes aided may be so wisely chosen that the time will be hastened when organized charity will be needed no more in the land.

FRANK H. STREIGHTOFF

Indiana University.

Health Building and Life Extension. A discussion of the Means by Which the Health Span, the Work Span and the Life Span of Man can be Extended. By EUGENE LYMAN FISK. (New York: The Macmillan Company. 1923. Pp. xvi, 521. \$3.50.)

After his work in *How to Live*, Dr. Fisk would be expected to produce an unusually good book. He has done it. Dr. Fisk's rich experience as medical director, first of the Metropolitan Life Insurance Company, and then of the Life Extension Institute, has been supplemented by the collaboration of Mr. Harold A. Ley, of Dr. Earl B. Fowler, of Dr. C. T. Sharpe, and of the Committee on the Elimination of Waste in Industry of the Federated American Engineering Societies.

The first part of the work depicts the "Physical state of civilized man." A wide range of statistics and charts is offered to show the

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great waste of humanity through illness and unnecessary death. Dr. Fisk estimates a probable saving of health and life of an annual economic value of \$3,045,000,000. This could be accomplished through a system of periodic physical examination and moderate health supervision at a cost of \$5 per capita or \$525,000,000 for the United States and through the necessary medical, dental, and surgical repairs of sub-standard cases at an expense of about \$1,000,000,000. The net gain would be \$1,520,000,000 plus "excess dividends in health, happiness, satisfaction in living," etc. The gospel of life extension is summarized in the sentence, "The body does not simply wear out; it is infected out, poisoned out, starved out, or deficiencied out" (p. 58). If that is the case, why die at all?

In part II, this question is answered by a thorough discussion of infections, poisons, food excesses and deficiencies, hormone excesses and deficiencies, and physical trauma. Of men actually at work 14 per cent need systematic medical or surgical supervision, and an additional 76 per cent have moderate physical impairments, while not one in 10,000 is physically perfect (p. 97.)

Dr. Fisk comes to his real message in part III, which treats "Preventive, remedial, and constructive measures." This is an excellent plea for health building and preservation. "The medieval notion that disease is an entity instead of a manifestation of certain infections or toxic agents . . . still envelops the practice of medicine in a haze" (p. 412). Our medical colleges are better than they ever were, but "The science of analyzing human beings in order to ascertain what they need in the matter of hygiene, correction of physical defects, and the ordering of life in keeping well is not intensively taught in any school so as to make it a part of the equipment of the average practitioner" (p. 411). While Dr. Fisk advocates a development of public, industrial, and charitable health organizations, he is most insistent upon providing a health center for every 50,000 people and on encouraging the new type of physician who looks upon the human body as a whole to be kept constantly in tune.

There can be no doubt of the soundness of this idea. The leaders in the medical profession are advocating it. The American Medical Association is on record as approving preventive medicine and is sponsoring a new periodical, *Hygeia*, devoted to the task of disease prevention and health building. The Medical School of Indiana University is "pioneering" in the establishment of instruction in public health. The reviewer has found among the physicians of his acquaintance an unexpected willingness to experiment in protecting a family's health for a fixed annual stipend rather than following the old clinical system of treating acute manifestations.

The defects in this book are of two sorts. First, the division of material between chapters in part III seems at times illogical. Second, and more serious, are the occasional abuses of the graphic method. The charting of a "Federal, State, Community, and Industrial Health Plan" (p. 374) is too involved for any but the most careful reader and too disjointed for him. The "Health Span-Life Span" chart (p. 10) conveys a wrong impression—the curves are so drawn as to suggest the comparison of areas rather than lengths and the lengths of the curves are not proportional to the times to be compared. The base line, which is correctly proportioned and which is the important thing on the page, is overshadowed by these arcs and areas simply because a very pretty poetic image overpowered the draftsman. In another case, "classification of causes of accidents" (p. 250), the desire to make a symmetrical design has thrown the pie diagrams into gross misproportion. The circles representing the accidents in mines, falls, machinery, etc., are of equal diameters. So a sector of 133° in the circle "mines" represents 5.85 per cent of all accidents while a sector of 225° in the equal circle "falls" represents but 4.87 per cent of all accidents. The caption of the cartograms (p. 250) is not clear enough.

These violations of graphic principles, however, appear to be the work of Dr. Fisk's collaborators. They in no way detract from the value of the text. The book is a real contribution to the literature of public and personal health with a vital message, based on science, and dispassionately stated.

FRANK H. STREIGHTOFF.

Indiana University.

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- ANDERSON, N. *The hobo. The sociology of the homeless man.* A study prepared for the Chicago Council of Social Agencies under the direction of the Committee on Homeless Men. (Chicago: Univ. Chicago Press. 1923. Pp. 302. \$2.50.)
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- ANDREWS, B. R. *Economics of the household. Its administration and finance.* (New York: Macmillan. 1923. Pp. 623.)
- BALDESI, G. *Di tante briciole fare una briciola sola.* (Firenze: Tip. Galileiana. 1923. Pp. 157. 5 l.)
- BEMAN, L. T., compiler. *Selected articles on current problems in municipal government.* The handbook series. (New York: Wilson. 1923. Pp. xiii, 542. \$2.40.)

Contains bibliography and selection of articles dealing with growth of

cities, city government, municipal home rule, commission plan and city manager plan.

BINDER, R. M. *Major social problems*. Second edition. (New York: Prentice-Hall. 1921. Pp. 324. \$2.)

Contains essays on the moralization of the family, the increasing importance of eugenics, significance of the woman's movement, the new social control, socialization of business, function of nationalism, and material and cultural civilization.

BLISS, A. I. *Iowa child welfare legislation measured by federal Children's Bureau standards*. (Iowa City: Univ. of Iowa. 1923. Pp. 52.)

BOETTIGER, L. A. *Employee welfare work; a critical and historical study*. (New York: Ronald. 1923. Pp. vi, 301.)

BOGARDUS, E. S. *Essentials of Americanization*. Third revised edition. (Los Angeles, Calif.: Jesse Ray Miller, 3474 University Ave. 1923. Pp. 448. \$2.50.)

CADY, V. M. *The estimation of juvenile incorrigibility. A report of experiments in the measurement of juvenile incorrigibility by means of certain non-intellectual tests*. Journal of Delinquency, monograph no. 2. (Whittier: California Bureau of Juvenile Research. 1923. Pp. 140.)

CHERRINGTON, E. H. *America and the world liquor problem*. (Wester-ville, O.: American Issue Press. 1922. Pp. 182.)

COLE, G. D. H. *Out of work. An introduction to the study of employment*. (New York: Knopf. 1923. Pp. 96. \$1.)

DAVIES, S. P. *Social control of the feeble-minded; a study of social programs and attitudes in relation to the problem of mental deficiency*. (New York: Author. 1923. Pp. 207.)

DICKINSON, G. L. *War: its nature, cause and cure*. (New York: Macmillan. 1923. Pp. 155. \$1.50.)

DIETZ, C. F. *Employee education in fundamental economics: how to tell the story*. An address delivered at the eleventh annual meeting of the Chamber of Commerce of the United States. (Washington: Chamber of Commerce. 1923. Pp. 17.)

DOUGLAS, HITCHCOCK, and ATKINS. *The worker in modern economic society*. (Chicago: Univ. Chicago Press. 1923. Pp. xxxii, 929. \$4.50.)

EATON, T. H. *Vocational education in farming occupations; the part of the public high school*. (Philadelphia: Lippincott. 1923. Pp. 374. \$2.)

EWER, B. C. *Applied psychology*. (New York: Macmillan. 1923. Pp. xii, 480.)

"The steady advance of industrial and commercial psychology has carried along with it much absurd pseudoscience" the lure of which is "the promise of speedy results." Scientific psychology, however, "possesses no magic touch which enables it to solve the human problems instantaneously; its investigative work should be as cautious and patient as that of other departments of science." Thus Ewer conceives ideally the character, as he also conceives the functions, of applied psychology. In clear, un-

technical English, with an ever-human point of view, the author surveys the aims of applied psychology and the particular content of three important fields of application, the educational, medical, and industrial. These four parts of the book are excellently integrated, and no one can criticize the work as a compendium of scattered data. The emphasis on explanation, however, is rather at the expense of material deserving inclusion. A serious gap is left by the inadequacy or absence of reference to such topics as the ductless glands, the influence of drugs, fatigue, accidents, trade tests, and special abilities. Although the existing material on some of these topics is in some measure controversial, the presentation of such data as are at hand would be scientifically serviceable.

CHARLES LEONARD STONE.

FELSTEAD, S. T. *The underworld of London*. (New York: Dutton. 1923. Pp. 301. \$3.)

FOSDICK, H. E. *Christianity and progress*. (New York: Fleming H. Revell Co. 192. Pp. 247.)

GAULT, R. H. *Social psychology. The bases of behavior called social*. (New York: Holt. 1923. Pp. x, 336. \$2.50.)

Dr. Gault protests against the mystic concept of group mind, so popularized by the speculations of LeBon and McDougall. "The whole course of transition from the individual to the social is within the individual himself," in his awareness of the responses of others to his behavior and of his responses to the behavior of others, in similarities of the purposes and ideals of others to his, and in the emotional satisfactions in his relations to others.

Dr. Gault also revolts from the prevailing presentation of social psychology by offering a basis of social understanding in objective facts and conditions rather than in either a fatuous preoccupation with social fads and foibles or a philosophy of instinct hierarchies.

There is much valuable material and much sane thought in this book. The true serviceability of the work, unfortunately, is somewhat obscured by faulty organization. The first three chapters, definitive and explanatory in nature, could be appreciably condensed and more distinctly delineated. The relevance of many quoted studies and statistics is frequently vague, and the parts of a chapter thus seem disjointed. The chapters on convention and social progress seem particularly to need outline. With these revisions the volume would be a staunch challenge to the student of social affairs.

CHARLES LEONARD STONE.

GOLDSMITH, E. B., compiler. *Opportunities for vocational training in New York City*. (New York: Vocational Service for Juniors, 17 Lexington Ave. Pp. 94. 25c.)

GORE, G. W., JR. *Negro journalism; an essay on the history and present conditions of the negro press*. (Greencastle, Ind.: Author. 1922. Pp. 35.)

GRAY, J. H. *The economic order; what is it? What is it worth?* Christianity and industry series, no. 9. (New York: Doran. 1923. Pp. 32. 10c.)

HALBERT, L. A. *What is professional social work?* (New York: Survey, 112 E. 19th St. 1923. Pp. 159. \$1.50.)

HARRIS, E. P. and HOOKE, F. H. *The community newspaper; its promise and development.* (New York: Appleton. 1923. Pp. 378. \$2.50.)

HERTZLER, J. O. *The history of Utopian thought.* (New York: Macmillan. 1923. Pp. 321.)

HOBSON, J. A. *The economics of unemployment.* (New York: Macmillan. 1923. Pp. 157. \$1.75.)

HUGHAN, J. W. *A study of international government.* (Crowell's social science series. (New York: Crowell. 1923. Pp. xix, 401.)

JACKSON, H. E. *Robinson Crusoe, social engineer.* (New York: Dutton. 1922. Pp. x, 297. \$3.)

This book was noted in the September REVIEW, page 525. Attention is called to the fact that the publisher is not Putnam, as there stated, but E. P. Dutton & Company.

JOHNSON, A. *Adventures in social welfare; being reminiscences of things, thoughts, and folks during forty years of social work.* (Fort Wayne, Ind.: Author. 1923. Pp. 455. \$3.)

LEHFELDT, R. A. *Settlements and their outlook.* (London: King. 1923. Pp. 192. 2s. 6d.)

MELE, D. *I discorsi di un industriale.* Preface by A. Russo. (Rome: "L'Eloquenza." 1923. Pp. 205. 10 l.)

NAMIAS, A. *Principi di sociologia e politica.* (Rome: A. Signorelli. 1923. Pp. 317. 20 l.)

O'SHEA, M. V. *Tobacco and mental efficiency.* (New York: Macmillan. 1923. \$2.50.)

PARRISH, C. H. *Conservation in Indiana; how it works for the state's future prosperity.* (Indianapolis: Dept. of Conservation. 1923. Pp. 28.)

PATTERSON, S. H. *Family desertion and non-support; a study of court cases in Philadelphia from 1916 to 1920.* (Whittier, Cal.: Whittier State School. 1922.)

PINTNER, R. *Intelligence testing.* (New York: Holt. 1923. Pp. 406. \$2.50. School edition, \$2.)

The recent progress in the field of psychological tests has become a matter of current interest. The literature relating to various phases of testing has been so scattered, however, that the general reader has had to be content with superficial or partial accounts. Dr. Pintner, himself a pioneer in the field of performance or non-language tests, has now integrated in a most readable book material from a remarkable number and variety of sources. Four initial chapters present the fascinating history of intelligence testing; the next two chapters concern methods; and the fourteen following chapters treat of the results of testing. Of these latter chapters the economist and executive will be particularly interested in those on the feeble-minded, the superior, the delinquent, the dependent, the foreign-born, and the employee.

Although intelligence testing is far from perfect at the present time, the increased use, experimentation, and extension of psychological tests show a significant development toward an improved understanding and

control of human behavior. Dr. Pintner's account of this development in its many phases is clear, complete, and authoritative.

CHARLES LEONARD STONE.

PRICE, R. R. *The financial support of the University of Michigan: its origin and development.* (Cambridge, Mass.: Harvard Univ. 1923. Pp. 58.)

RAVAGE, M. E. *The malady of Europe.* (New York: Macmillan. 1923. Pp. 250. \$2.)

ROBERTS, G. E. *The unity of social interests.* (Ames: Iowa State College of Agriculture. 1923. Pp. 16.)

ROSEBUCH, J. G. *The ethics of capitalism.* (New York: Association Press. 1923. Pp. viii, 196. \$1.)

SCUDDER, V. D. *Social ideals in English letters.* New and enlarged edition. (Boston: Houghton Mifflin. 1923. Pp. 359. \$2.75.)

SMITH, R. E. *Christianity and the race problem.* (New York: Fleming H. Revell Co. 1922. Pp. 156.)

THOMAS, N. *The challenge of war; an economic interpretation.* (New York: League for Industrial Democracy. 1923. Pp. 36. 10c.)

TOWNE, C. H. *The rise and fall of prohibition; the human side of what the eighteenth amendment and the Volstead act have done to the United States.* (New York: Macmillan. 1923. Pp. x, 220. \$2.)

TUFTS, J. H. *Education and training for social work.* (New York: Russell Sage Foundation. 1923. Pp. xii, 240. \$1.50.)

WHEELER, M. I. *The community social center.* (Milwaukee: Author, National Soldiers Home. 1923. Pp. 97.)

WOODS, R. A. *The neighborhood in nation-building; the running comment of thirty years at the South End house.* (Boston: Houghton Mifflin. 1923. Pp. viii, 348.)

Apprentice education. A survey of part-time, evening and other forms of related instruction. Federal Board of Vocational Education, bull. 87. (Washington: Supt. Docs. 1923.)

Bourneville housing: a description of the housing schemes of Cadbury Brothers in 1922. (Bourneville, Eng.: Cadbury Bros. 1923. Pp. 55.)

Childbirth protection. (Washington: Committee on Women in Industry of the National League of Women Voters. 1923. Pp. 11.)

Child welfare hand book. Second edition, enlarged. (New York: National Child Welfare Assoc., 70 Fifth Ave. 1923. Pp. 47. 50c.)

Directory of local child-health agencies in the United States. Bureau publication no. 108. (Washington: Children's Bureau. 1922. Pp. 340.)

Effectiveness of vocational education in agriculture. A study of the value of vocational instruction in secondary schools as indicated by the occupational distribution of former students. Federal Board for Vocational Education, bull. 82. (Washington: Supt. Docs. 1923.)

How much should I spend for clothes? Suggesting an apparel budget for women. (New York: R. H. Macy & Co. 1923. Pp. 16.)

- Principles underlying the distribution of aid to vocational education in agriculture.* Federal Board of Vocational Education, bull. 84. (Washington: Supt. Docs. 1923.)
- Prohibition and its enforcement.* The Annals, vol. CIX; no. 198. (Philadelphia: Am. Acad. Pol. & Soc. Sci. September, 1923. Pp. 325. \$1.)
- The Providence zone plan.* Report outlining a tentative zone plan for Providence. (Providence, R. I.: Joint Standing Committee on Ordinances. 1923. Pp. 30.)
- Report of first biennial convention of the Jewish Welfare Board.* (New York. 1922. Pp. 68.)
- Selected list of references on correctional institutions in cities.* (New York: Municipal Reference Library. 1923. Pp. 5, typewritten.)
- Seventeenth annual meeting of the American Sociological Society, held at Chicago.* (Chicago: Univ. of Chicago Press. 1923. Pp. 262.)
- Supervised practice in agriculture. Aims and values of such practice and responsibilities of pupils, teachers, state administrators, and local boards of education.* Federal Board for Vocational Education, bull. 83. (Washington: Supt. Docs. 1923.)
- The texture of welfare. A survey of social service in Bradford.* (London: King. 1923. Pp. 193. 2s. 6d.)

Insurance and Pensions

- Risk and Risk-Bearing. Materials for the Study of Business.* By CHARLES OSCAR HARDY. (Chicago: University of Chicago Press. 1923. Pp. xix, 400. \$3.50.)

In *Risk and Risk-Bearing* the author has attempted to isolate and explain the influence of uncertainty in economic life. The opening chapters explain the problem of risk and the various ways in which the business man deals with that problem. The body of the book treats in considerable detail specific fields in which uncertainty is peculiarly important: the business cycle, investment, speculation, insurance and labor. The final chapter, "Social aspects of risk-bearing," considers the problem of uncertainty from the point of view of the public.

The author points out that, given the present organization of society and the uncertainty inherent in business enterprise, it is necessary to allow the business man to receive profits in order to encourage the exercise of productive initiative. This does not mean that profits should be allowed to run uncontrolled. Profits due to monopoly may well be confiscated, likewise profits which "arise in a way which might reasonably have been anticipated when capital was invested" (p. 362). But if profits in general "are confiscated persistently and as a matter of public policy, some method of protecting investors against risk must be provided, or risky enterprises will be avoided" (p. 363).

Gambling is condemned and insurance approved while speculation in

organized markets is assigned a valuation midway between that given these activities. A comparison of medieval and modern organizations yields the conclusion that the question of their relative value, "from the standpoint of the risk involved, is an open one. The range of uncertainty has for most men increased, but the uncertainty arises largely from the possibility of better things; whether these possibilities are worth the risks they entail is largely a matter of the individual's preference as to the kind of world he wants to live in" (pp. 389-390). The book closes with an inconclusive and brief discussion of uncertainty in a socialistic organization.

The present text renders two distinct services: it develops the manifestations of risk in economic affairs and analyzes risk-bearing in its principal forms in such a way as clearly to present the point of view of the economist who views business activity on the functional basis adopted by the Chicago group; it also furnishes a collection of material to use in courses organized on this functional basis.

Of the desirability of presenting adequately the theory and facts of the problem of risk there can be no doubt. But one questions whether the detailed description of practices which is contained in the present volume does not at times err in the direction of an attempt to present an entire subject in tabloid form. For example, the discussion of security markets (ch. 8.) might serve as an outline for a descriptive text on stock exchanges. Likewise, in the chapters on insurance one finds classifications of companies and contracts, and brief descriptions of practices which appear to have been boiled down from more extensive treatments. In many places, however, long quotations are introduced which represent undue emphasis on particular phases of a field. For example, reciprocal insurance, which is relatively unimportant in volume and significance, is described at great length (pp. 306-13) while the diverse organizations which represent by far the greater part of insurance activity are given only cursory treatment. Would it not be better in most cases to omit any attempt at presentation of the details of organization and activity in these various fields, referring the reader to specialized texts where knowledge of such details is necessary or desirable? The element of risk is so much involved in practically every business activity that the widest sort of knowledge of business is necessary to a comprehension of the risk problem. The author's attempt to include with his analysis of risk the factual material involved has led him to a too much skeletonized treatment of the facts.

The general attitude of the author toward business practices is remarkably well balanced. Too often one finds that books on business reflect the bias of participation in business or of opposition to business

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in general. In other cases authors writing in specific fields become apologists for practices in those fields. In this volume the author finds much to praise, much to condemn and much to question but it does not appear that his attitude is other than that of the analyst and student who is primarily concerned with what we should preserve of the present order, what we should eliminate, and what new devices we should adopt.

The general theory of risk is well presented, as is its application in specific fields. With this presentation the reviewer has no quarrel except to suggest that the subject of prevention has received what he considers inadequate attention. Reference might be made to certain errors of fact and of emphasis which the reviewer has noted, but since they are nearly all in his own field it is not improbable that such reference would in itself constitute an error of emphasis. Doubtless the author will have at his disposal the comments of specialists in each of the fields which he discusses for use in the preparation of a second edition.

RALPH H. BLANCHARD.

Columbia University.

Insurance against Unemployment, with Special Reference to British and American Conditions. By JOSEPH L. COHEN. (London: P. S. King and Son. 1921. Pp. 536. 18s.)

Cohen's book deserves to rank along with the works of Beveridge, Webb, Lescohier, and others as one of the half dozen best books in the English language on the subject of unemployment. It is far superior to Gibbon's *Unemployment Insurance*, its only rival in the field covered by its title, and this is of necessity so, for Gibbon wrote in 1911 when little more than half-hearted attempts had been made to apply the principles of insurance to the unemployment problem.

The treatment by Cohen is somewhat wider than that indicated by the title of the book. He devotes the first fifty pages to an excellent review of the extent, causes and effects of unemployment and in a thoroughly fair and sympathetic manner he gives a critical appraisal of the other than insurance methods which have been proposed for solving the unemployment problem.

Mr. Cohen believes that unemployment as a contingency possesses all the characteristics which any hazard must have to become an insurable risk; it is one to which large numbers are exposed; it is regarded as a menace to be provided against by those so exposed, and the risk is one capable of being calculated with some degree of accuracy.

Although all the Continental insurance schemes, including the Ghent scheme, are reviewed, these timid and only partially successful plans are rejected in favor of the British unemployment insurance plan, to

which most of the book is devoted. The main provisions of this plan are well known to students of the subject of unemployment and need not be here recited. Although it has proved inadequate to solve the problem of post-war unemployment in Great Britain, this is no fault of the British plan and the existence of such a plan has been exceedingly valuable in assisting the British government to deal with the problems created by the war. Nothing shows this so well as the extension of the plan in 1920 to all important classes of wage-earners except those engaged in agriculture and domestic service. Mr. Cohen says: "The success of the scheme has gained for it the support of all sections of the community. No party or group of individuals exists in Great Britain who want to see its withdrawal."

For the United States, Mr. Cohen outlines a plan for dealing with unemployment which includes all the features familiar to students of this problem, such as a national system of employment exchanges, juvenile employment bureaus with vocational guidance bureaus to investigate and report continuously on the amount of unemployment, aid to immigrants in securing employment and finally a scheme of unemployment insurance, similar in most respects to the British scheme but with contributions and benefits graded according to wage classifications and differences in the standards of living.

To all of this there can be no objection by the serious student of the problem. The more difficult task before us is to educate the public as to its necessity.

M. B. HAMMOND.

Ohio State University.

NEW BOOKS

- CHAMBERLIN, W. F. *Industrial relations management as affected by group insurance.* (Hartford, Conn.: Travelers Ins. Co. 1922.)
- COHEN, J. L. *Insurance by industry examined.* (London: King. 1923. Pp. 120. 5s.)
- . *Workmen's compensation in Great Britain.* (London: Post Magazine. 1923.)
- COWLES, W. G. *What is the matter with the automobiles?* Address before the Insurance Society of New York, December 6, 1921. (Hartford, Conn.: Travelers Ins. Co. 1922. Pp. 25.)
- DEGAS, M. *Le problème de l'assurance maladie-invalidité.* (Paris: P. Dupont. 1922. Pp. 286.)
- DEITCH, G. A. *Digest of insurance cases. Volume 34, for the year ending October 31, 1921.* (Indianapolis, Ind.: Rough Notes Co. 1922. Pp. 375.)
- DOMIZLAFF, K. and BLASE, H. *Feuerversicherung. Versicherungs-Bibliothek, herausgegeben von Professor Dr. ALFRED MANES. II Band. Second edition.* (Berlin: Mittler. 1923. Pp. viii, 158.)

GREER, W. J. *Fire losses and adjustments; some factors and fundamentals.* (New York: Ins. Soc. of N. Y. 1923. Pp. 14.)

GRINDA, E. *Rapport sur les assurances sociales.* Chambre des Députés. (Paris: Martinet. 1923.)

HECKE, W. *Der Geburtenrückgang und seine Folgen.* (Leipzig: Franz Deuticke. 1923.)

KOBURGER, J. *Versicherungs-Buchführung.* Versicherungs-Bibliothek herausgegeben von Professor DR. ALFRED MANES. I Band. Second edition. (Berlin: Mittler. 1923. Pp. viii, 131.)

MANES, A. *Socialversicherung (Arbeiterversicherung und Angestelltenversicherung).* Fifth edition, enlarged. (Berlin: Walter de Gruyter & Co. 1923. Pp. 124. 25c.)

RITTER, C. *Das Recht der Seeversicherung. Ein Kommentar zu den Allgemeinen Deutschen Seeverversicherungs-Bedingungen.* (Hamburg: L. Friedrichsen & Co. 1923. Pp. 208.)

Insurance facts; a compilation of insurance information accumulated during many years of practical experience. (Philadelphia: Tifft, Laver & Co. 1923. Pp. 107.)

A pay as you go pension plan. (New York: Metropolitan Life Insurance Co. 1923. Pp. 12.)

The Metropolitan Life Insurance Company is offering to provide private firms with paid-up annuity policies for retirement pensions. The plan proposed was discussed at length in Conant's *Critical Analysis of Industrial Pension Systems* (see review in September issue of AMERICAN ECONOMIC REVIEW). The pamphlet gives a full statement of the various factors involved and also provides a sample form of circular to be distributed among employees, which is a model of clearness and conciseness. The table of costs of these pension certificates is of interest; to provide a life pension of \$10 annually beginning at age 65 costs: for age 30, \$16.10; with each additional year the cost rises; at 40 it is \$24.94; at 50 it is \$39.85, etc. These are the rates for males; for females the cost for the same ages is \$19.65, \$30.71, and \$48.90.

HENRY J. HARRIS.

Pensions for industrial and commercial employees; special report no. 1. (New York: Management Assoc., 20 Vesey St. 1922. Pp. 24. \$1.)

Proceedings of the fifty-seventh annual meeting of the National Board of Fire Underwriters, May, 1923. (New York: Author, 76 William St. 1923. Pp. 142.)

Relazione della Commissione nominata con d. 3 ottobre 1921 dal ministro per l'industria e il commercio, per l'ispezione ordinaria all'Istituto nazionale della assicurazioni. (Rome: L. Cecchini. 1922. Pp. 278.)

The soldiers' bonus or adjusted compensation for soldiers. Special report, no. 24. (New York: National Industrial Conference Board. 1923. Pp. 46.)

Study of workmen's compensation insurance laws and service; monopoly or competition. (Cincinnati: Chamber of Commerce. 1923. Pp. 1016.)

Workmen's compensation acts in the United States. The medical aspect. Research report no. 61. (New York: National Industrial Conference Board. 1923. Pp. 282.)

Workmen's compensation tables. New York State Department of Labor, Special bull. no. 120. (Albany: Dept. of Labor. 1923. Pp. 55.)

Pauperism, Charities, and Relief Measures

NEW BOOKS

DELILLE, A. *L'assistance sociale et ses moyens d'action.* (Paris: Alcan. 1922.)

KLEIN, P. *The burden of unemployment; a study of unemployment relief measures in fifteen American cities, 1921-22.* (New York: Russell Sage Foundation. 1923. Pp. 260. \$2.)

Child-caring homes in the United States. (Washington: National Conference of Catholic Charities, 700 Eleventh St., N. W. 1923. 25c.)

Socialism and Co-operative Enterprises

The Decay of Capitalist Civilization. By SIDNEY and BEATRICE WEBB. (New York: Harcourt, Brace and Company. 1923. Pp. xvii, 242. \$2.00.)

With manufacturers, bankers, and politicians joined in optimistic chorus, and bricklayers in New York earning fourteen and sixteen dollars a day, Mr. and Mrs. Webb will not popularly be accused, on this side the Atlantic, of over-laboring the obvious. Fortunately, their indictment of capitalist industry is too manifold for a mere business boom to prevail against it. In the alternative to the charge that the system now fails to deliver the goods, they urge that the goods are largely the wrong goods, delivered in the wrong way to the wrong people; and to either plea is added a formidable array of other counts relative to the less measurable elements of social welfare.

The indictment opens on the score of the widespread penury which the capitalist organization of society "produces": penury which is viewed as "the outcome, or at least the concomitant," of the universal ownership of the means of production by a "relatively small propertied class." This almost traditional item might be none the worse for a little statistical refurbishing as regards America. What is presumably the essence of it—the concentration of control—would doubtless stand; but the psychological effects of an increasing diffusion of petty ownership are another, and an important story, with which this book does not deal.

A further consequence of this aggregation of ownership is seen in the "glaring inequality in the distribution of the national income" that characterizes "every capitalist society." The statistics for England,

Germany, the United States, and France, we are told, all reveal a "parallel inequality." The technician may perhaps wonder whether this proposition is to be understood as referring to the extreme income ranges or to the distribution curves; probably however the conclusion that immediately follows would be unaffected by the particular mathematical process employed. "It is therefore clear that a nation, in deciding to establish or to continue the private ownership of land and capital as the basis of the industrial organization of its people, deliberately chooses inequality."

This sentence invites attention to the interpretation of history followed by the authors. They tend, we at first conclude, to an institutional economic determinism: the "appalling results of capitalism are in fact too bad to have been intentionally brought about by human beings at any stage of civilization"; "each separate capitalist is as helpless in the face of the institution of ownership for private profit as are the wage-earners themselves." Mr. and Mrs. Webb are not however of that class of theorists for whom such a doctrine precludes the healthy exercise of human passion; as witness the following:

The incipient class of profit-makers, aided by their allies in Parliament, in the university lecture-room and in the press, proceeded ruthlessly to smash up the existing social institutions that stood in their way The insurgent capitalist entrepreneurs, in the century of their exuberance, were in another respect analogous to Bakunin, the Anarchist, and Lenin, the Communist they were absolutely ruthless in the clearance that they made of everything that stood in the way of the carrying out of their ideas of social reorganization—neither weighing in the balance the incidental advantages of the system that they considered obsolete, nor heeding the suffering that their revolution caused to individuals without number.

The plain man will perhaps be tempted to remark that you cannot have it both ways. The student of reformist literature will understand that, human nature being what it is, you not only can, but must—unless the process of social analysis is to be allowed to become merely scientific.

But the gravamen of the indictment lies in the physical and moral deterioration, the carelessness of common humanity, inculcated by the capitalist system; inculcated, as the authors are at pains to show us, not as a mere perversion of the system, but as part of its very essence.

Indeed, in the final analysis it is obligatory on the individual profit-maker by the nature of his being; for unless in exploitation he keeps up with the most ruthless of his competitors, the very profit by which he lives, dependent as it is on the margin between cost and selling price, eventually disappears.

Elsewhere, it is true, the authors repeatedly and emphatically insist that the principle of free competition is being "superseded in industry after industry by combinations among capitalists to secure monopoly

prices." One hesitates whether most to admire the accuracy of their information or their versatility in the use of it.

And if, by the very nature of the system, the human instrument is thus exploited, what can be expected in the sphere of natural resources? President Roosevelt and J. J. Hill are quoted in testimony to the spoliation of America; and we are left to infer that the federal conservation laws, for example, or the smoke laws of which the New York legislature has issued a recent sharp reminder to all and sundry, are exceptions to the inherent nature of the capitalist system. It is not always obvious. The same reply would presumably be given one citing the pure food laws of capitalist states; but it seems a little hard that while so much stress is laid on the "process of worsening production in all sorts and kinds of commodities and services," capitalism should get next to no credit for its occasional achievements in the way of bettering production. Presumably these too are exceptional to the law of its being.

A further exception is of interest to American readers in particular:

We have to note the fact that, as "civilization" advances, more and more of the land, machinery and labor of advanced industrial nations—more and more of the vaunted business ability that the all-powerful stimulus evokes—are diverted, first to the incitement, and then to the satisfaction, of the world's "effective demand" for alcoholic drink of various grades of harmfulness—not to say for the production of, and the secret traffic in opium, cocaine, and other deleterious drugs—which now account for so large a proportion of the fortunes on which families are founded and country houses maintained.

Apparently the eighteenth amendment and the Volstead act were also the work of anti-capitalist forces. The authors enquire—delicately begging an important question—whether, if the savings of each year were deliberately allocated among the various lines of production by democratically organized bodies of some sort, the trade in such economic goods would be as great? One is tempted to wonder what would happen to mar the simplicity of such a system if the obdurate British workman, scenting the possibility of cheaper liquor in the elimination of the aforesaid fortunes, should persist in an 'effective demand' for it? The same painful dilemma is suggested by the naive attribution to the capitalist system of the "promotion and organization of gambling in all its forms," and of the "profitable business of first decoying and then interning boys and girls for the purpose of sexual vice."

The optimistic assurance of the Fabian school on this psychological point is too well known to need emphasis. The socialist, we are told, "believes that in the countries advanced in civilization"—this presumably excludes the East—"mankind is ready for a change of heart, for the substitution of the motive of fellowship and public service for that

of pecuniary self-interest and the craving for riches. He does not thereby demand any fundamental change in human nature." The transition from the cases of civil servants and teachers to the mass of mankind is thus easily accomplished; and if any should doubt, "this substitution of the motive of public service for the motive of self-enrichment will be imposed on our consciences by the moral revolution, which will make 'living by owning' as shameful as the pauperism of the wastrel."

It is probably futile to carp at what is thus evidently a religious conviction on the score of mere logic or consistency or the impartial treatment of fact; the proselyte—or should one say propagandist?—is given a certain latitude in such matters, in his own place. But many who find themselves in sympathy with the ideals underlying this book may doubt whether, at this time of day, such propaganda is likely to secure the converts most worth having, whether in fact it is not playing straight into the hands of the less compromising section of the opposition. It is possible too that students of society, who have grown used to look to the Webbs for careful and valuable achievement, may be disappointed, even affronted, by this volume; and tempted to remonstrate, not without indignation, that both science and democracy deserve to be better served.

WILLIAM ORTON.

Smith College.

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- DILLON, J. J. *Organized coöperation.* (New York: Rural New Yorker. 1923. Pp. 184.)
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Statistics and Its Methods

- Cycles of Unemployment in the United States, 1903-1922.* By WILLIAM A. BERRIDGE. Publications of the Pollak Foundation for Economic Research, No. 4. (Boston: Houghton Mifflin. 1923. Pp. xiii, 88. \$1.25.)

This monograph won the first prize of one thousand dollars offered by the Pollak Foundation in 1921. It is here presented in book form, revised and brought up to date.

There are five possible methods of attack on the statistical measurement of unemployment in the United States as the present reviewer sees it: (1) an index of employment which measures the timing and form of the fluctuations and the relative amplitude from one period to another; (2) an index of employment which measures the percentage deviations from the secular trend; (3) an estimate of the cyclical decline of employment from the previous maximum; (4) an estimate of the total number of employed based on the "percentages unemployed" reported by trade unions; (5) an estimate of the unemployed based on estimates of the "active supply" of urban labor and "connected

demand" for that labor. The first is the method which Mr. Berridge uses. He calls it the "index method" and explains that it reflects the "changes in the *relative intensity* of employment between two points of time." It is not his purpose to measure the volume of employment and unemployment.

Mr. Berridge points out that such an index has four main uses: (1) it registers the course of the labor market, (2) it indicates the general course of production, (3) it forecasts the fluctuations in the buying power of labor, and (4) it shows indirectly the cycle of social welfare.

The author then examines the available statistical materials of employment and unemployment, corrects the original data for seasonal fluctuations and secular trends, and presents curves in this refined form for 1903-14 and for 1914-22. Finally he presents a general index of employment cycles for each of these periods, the component indexes having first been reduced to a common denominator through the medium of their respective standard deviations. The index for the first period is constructed by combining the employment indexes for Massachusetts and New Jersey and the inverted unemployment index for New York which he has carefully reconstructed with proper weights. The index for the latter period is made by averaging the indexes of the New York Industrial Commission and of the United States Bureau of Labor Statistics.

In this section Mr. Berridge goes beyond his announced intention to present only an index of employment which will show the "relative intensity of employment between two points of time." On page 15 he presents at the right of his chart a vertical scale which measures the "net deviation" from normal. The chart in question is satisfactory as far as Mr. Berridge's announced purpose goes, *i.e.*, to show the relative intensity of employment between two points of time, but it is unsatisfactory in so far as he attempts here to show the "percentage deviations" from normal. The chart is so small and the scale at the right is attached so roughly that it is impossible to read it with even approximate accuracy. Again on page 51 he departs from his announced purpose and presents a table showing the approximate decline of employment from the peak of each boom to the bottom of each succeeding depression. But the table is presented without adequate statistical support. It would have been more in harmony with his method if Mr. Berridge had presented in this table the *relative* decline of one period compared to other periods instead of the *absolute* decline in each period.

Mr. Berridge next turns to the relation between employment cycles and production cycles. This chapter is especially valuable to students

of the business cycle. He finds extremely high correlation not only between employment and the production index for all manufacture, but also between employment and the production of pig iron. In fact production and employment correlate more perfectly than any other data pertaining to the industrial cycle. But, while the timing of the two curves correspond closely, the amplitudes are divergent. Mr. Berridge devotes some space to an explanation of this fact. He discusses in this connection fluctuations in part-time and over-time employment, fluctuations in labor efficiency, and finally the fact that the production index is derived largely from data on basic materials. He lays particular stress upon fluctuations in part-time employment (p. 64) in explaining differences in amplitude. But he fails to note that such fluctuations would also show themselves in a *lag* of employment behind production. In fact, however, as far as *timing* is concerned the two curves agree closely. This conclusion the present reviewer is willing to accept, but it points to the further conclusion that fluctuations in part-time employment are less important than we formerly supposed, as in fact recent investigations show. The difference in amplitude is therefore probably chiefly due to the unrepresentative character of the production index.

The employment indexes are constructed from judiciously selected data and with careful technique. But at one point the present reviewer wishes to take exception to the method used. In connecting up the discontinuous Massachusetts and New Jersey data, the author assumes the business cycle to be inoperative between each December and the following January. This method is indefensible since there are excellent production and unemployment data for combining these fragments. Mr. Berridge appears to be more interested in eliminating any slight spurious correlation between his employment indexes and his New York unemployment index than he is in constructing the best possible employment index.

The researches of Mr. Berridge have contributed in important ways to the literature of unemployment. It is therefore all the more regrettable that he has not made it possible for subsequent investigators to build upon his researches by giving either here or in his published articles complete tables of all his corrected and uncorrected indexes together with the standard deviations wherever the individual series are given in terms of the standard deviation.

The new method here developed for analyzing unemployment data is useful and valuable. But the arguments against other methods (pp. 6-8) are inconclusive. Trade union data carefully selected as to trades represented are not useless in measuring the absolute volume of unemployment, but they must be checked by other data. Especially

valuable in this connection are the data on fluctuations in volume of employment and estimates of the maximum cyclical decline in employment such as those recently offered by Mr. Ernest S. Bradford and Mr. W. I. King. Mr. Berridge finds that the amplitudes of the Massachusetts index of employment, the New Jersey index and the U. S. Census fragments correspond closely. In the main the same is true of the data furnished by the New York Industrial Commission and the U. S. Bureau of Labor Statistics. This would seem to justify confidence in the amplitude of these indexes not only relatively as Mr. Berridge admits, but also absolutely. Nor is the research of Mr. Hornell Hart (which Mr. Berridge throws out bodily) valueless. Admittedly an estimate with a considerable margin of error, it checks well with other data on unemployment including Mr. Berridge's where the two are comparable.

ALVIN H. HANSEN.

University of Minnesota.

An Academic Study of Some Money Market and Other Statistics.

By E. G. PEAKE. (London: P. S. King & Son, Ltd. 1923. Pp. ix, 63. 6s.)

The general object of this study, as stated in the author's introduction, was to discover facts connected with certain rates of interest and discount on the London money market, with the rates of exchange between London and Paris and New York, with the relationship between the different rates, and with the prices of commodities.

The data used, all being for the years 1882-1913 unless otherwise stated, were as follows:

- Rate of interest on floating money in London;
- Rate of discount on 3 months bank bills in London;
- Rate of discount on 6 months bank bills in London;
- Rate of exchange between London and New York;
- Rate of exchange between London and Paris;
- Market rate of discount in Paris;
- Rate of interest on call money in New York;
- Rate of discount on "endorsed bills" in New York (for the years 1895-1910 only);

Sauerbeck's prices of commodities for 1850-1910.

The methods adopted in studying these statistics were: (1) To average the monthly rates for each year. (2) To average the yearly rates for each month of the year. (For example the average discount rate for the thirty-two Januarys of the years covered was obtained and likewise for the other eleven months.) (3) To determine the size of the variations in the rates and the relationships between them

according to statistical methods associated chiefly with the names of Professors Karl Pearson and F. Y. Edgeworth.

The work is an attempt "(a) to measure the effects of laws which have been arrived at either by the deductive method or by experience, (b) to increase our knowledge of economic laws by the inductive method, a method which, considering the amount of statistical material available, has obtained surprisingly few followers." With these ideals probably most modern economic investigators will be in hearty sympathy. But while it is recognized that economic laws established by these methods will rest upon a sounder basis, progress at first must be by small steps accompanied by indefatigable labor.

Mr. Peake's study is a case in point. The reader cannot but be impressed by the earnestness and courage with which the author attacked his task, by the sheer quantity of labor the results of which are compressed within the narrow bounds of 63 printed pages. It might be noted, for instance, that his work involved the calculation of over 300 coefficients of correlation not to mention the labor of collecting the material and of other methods of analysis employed. Nevertheless when all is said and done, one feels that only a beginning has been made in the achievement of what the author conceived to be the more particular object of his work, namely, the discovery of some variation that would act as a guide to the future course of rates, something that might be of use to the "practical" man by way of prediction.

The most outstanding result of the investigation is the demonstration of the close connection in London between the following:

(1) The difference between the floating rate and the 3 months' discount rate at any one time and

(2) The average rise or fall in the floating rate from the month named to the average of the next 2 months; and likewise between the following:

(1) The difference between the floating rate and the 6 months' discount rate and

(2) The average rise or fall in the floating rate from the month named to the average of the next 5 months.

The investigation of the degree of variation in (2) that may be expected to accompany a specified variation in (1) gives a statistical basis for predicting the future course of the floating rate. Taking into consideration also the rate of exchange between London and Paris, the author works out with the help of W. S. Gosset, by the method of "multiple correlation," a somewhat more accurate formula for prediction of the future course of the floating rate. The formula, however, it is pointed out, cannot be directly applied to post-war

rates. In fact, all prediction from statistical material might be rendered futile from cosmic or political upheavals such as earthquakes or wars. The question also arises as to whether greater accuracy in prediction might not be obtained by taking into account the particular point in the business cycle at which one stands. In the present work no consideration at all was given to the phenomenon of the business cycle.

The text of the study offers room for improvement. In some places there is a failure to explain with sufficient fullness and clarity the methods by which certain statistical results were obtained. On page 43, summarizing the conclusions reached in the previous pages, it is said that the rises and falls in the future floating rates were correlated with the Paris and New York exchanges, and it was found that in many months of the year fairly high relationships exist. A diligent search, however, fails to show any such calculations in the previous pages. On page 37 there are statements in the text that do not seem to conform to the accompanying statistical tables. For instance, it is said that in the first three months of the year high exchange rates for London-New York go with high floating rates on money in London. But according to the table, the coefficients of correlation between the exchange rate and the floating rate for these three months are negative. This would indicate a high exchange rate with a low floating rate unless by "high" exchange rate is meant high from the English point of view, that is, the English pound sterling being worth a small number of dollars. This, however, is the opposite sense from that in which the term "high" was employed in other portions of the chapter.

In his discussion of exchange rates, Mr. Peake is somewhat difficult to follow. He is at pains to point out that, in view of the statistics presented, "the orthodox theory of 'foreign' exchanges, according to which high rates of exchange go with low rates of interest and discount, does not always obtain." But is it, according to the orthodox theory, a matter of significance so far as the connection with exchange rates is concerned, whether the absolute discount rates at the points involved, say New York and London, are high or low? Is it not rather a question of the position of the two rates relative to one another? Thus a high discount rate in London compared with New York might raise the exchange rate in favor of London, but this very difference might set other forces in motion, such as the export of gold from New York to London, which would have the effect of reducing the London discount rate and raising the New York rate.

W. O. WEYFORTH.

Johns Hopkins University.

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- HULME, E. W. *Statistical bibliography in relation to the growth of modern civilization.* (London: Butler & Tanner, Grafton & Co. 1923. Pp. 44. 6s.)
- JULIN, A. *Précis du cours de statistique générale et appliquée.* Fifth edition. (Brussels: Albert Dewit. 1923. Pp. xiv, 278. 8 fr.)
- KELLEY, T. L. *Statistical method.* (New York: Macmillan. 1923. Pp. xi, 390. \$4.)

Textbooks on statistical methods by American authors have for long suffered by comparison with the English. Too many of them have been written from the viewpoint of the assembling of data and have devoted little space to analysis. The predominant spirit of our statisticians has been that of the statistical office or census bureau and not that of the scientific investigator searching for causes or testing hypotheses. There has been a too frequent tendency for men in high places to scoff at "mathematics." In spite of this restricted view of the usefulness of the "higher" analysis it is coming into use in this country and the group of students who are studying mathematical statistics and applying their knowledge in various fields is growing rapidly. Professor Kelley's book is an index of this development. Davenport's text made available to American students a considerable body of Pearson's work, and Arne Fisher's book has more recently introduced them to the researches of continental, particularly Scandinavian, statisticians. Kelley's book is avowedly an attempt to bring to them a more comprehensive treatment of Pearson's work in particular than has been available heretofore in one volume. The book comprises thirteen chapters. The first two on tabulation and graphics are brief and somewhat sketchy, but sound. These are followed in order by chapters on averages, dispersion, the normal curve, comparable measures, curve fitting, Pearsonian correlation, and functions involving it, other methods of measuring relationship, multiple correlation, a chapter of miscellanies and a final one on index numbers.

The author states in his preface that the book is intended in part to serve the needs of those who know little of higher mathematics but there are plenty of passages in it the understanding of which demands a considerable training in mathematics. This is much to be preferred over the too common practice of leaving out those parts requiring knowledge of mathematics or presenting formulas without giving the steps in their development so necessary to their proper use.

The excellence of the book lies in the ground covered and in the author's willingness to trace the mathematical development of each method. This has made the problem of writing such a book extremely difficult no doubt, because good pedagogy requires not only the proper development of the subject-matter but illustrations of practical methods of computation. In this respect the book errs at times. For instance, in the chapter on curve fitting, not a single example of actual computation is given. Adding many such illustrations would no doubt have greatly increased the size of the book, but it would have added to its usefulness. In this respect Yule's text is distinctly better.

The proof-reading on the book was apparently done somewhat hurriedly. The following slips have been noted: (1) incorrect references, pages 27, 31, 45, 153; slips in calculations, pages 63, 105, 107; typographical errors, pages 48, 79 (two), 89, 92, 99 and 111 (three).

BRUCE D. MUGGETT.

KING, W. I. *Employment, hours, and earnings in prosperity and depression: United States, 1920-1922*. (New York: National Bureau of Economic Research, 474 West 24th St. 1923. Pp. 147. \$3.)

The dearth of comprehensive data on employment and unemployment has long been a serious handicap to students and social workers. W. H. Beveridge states in the preface to his standard work on *Unemployment, a Problem of Industry* that he was compelled "to leave the record of facts or their analysis incomplete, to give probabilities in place of searching for certainties, to turn back unsatisfied from whole fields of inquiry as fascinating as they are important." In recognition of the deplorable lack of knowledge concerning the total effect of a depression upon employment, the Committee on Unemployment and Business Cycles of the President's 1921 Conference authorized a study of the situation treating all industries in a uniform manner.

Professor King in a brief volume has presented in useful form the results of the task undertaken by the National Bureau of Economic Research, with the help of the Bureau of Markets and Crop Estimates and the Bureau of the Census, for the purpose of ascertaining facts concerning changes in employment conditions in the United States that occurred between the peak of the boom in 1920 and the trough of the depression in the next year.

Among the interesting results the following questions are answered: How is employment in different industries affected by the business cycle? Do large or small concerns have greater stability of employment? How are hours, wage rates, and earnings affected by booms and depressions? In what industries are wages highest? Lowest? Hours longest? Shortest? Do workers move to the factories during the boom and back to the farm during the depression? What causes the steady drift from the farm to the city? How much wage loss is caused by a depression like that of 1921?

Questionnaires were used in gathering data from employees, employers, and farmers through the voluntary assistance of private agencies, professors of economics, students and others. The number of well-filled schedules turned in by employees was not sufficient to constitute a very reliable sample, 8,500 farmers' schedules were returned, and nearly 8,000 records from employers, including practically complete data for the railways, were obtained. A large proportion of all returns received were found to rest upon estimates rather than actual records. The records secured came from employers who hire about one tenth of all the employees in the United States. Since the proportion differed widely in different industries, a simple total or average of all the samples would be misleading. To secure significant results, it was necessary to weight all of the items according to the importance of the fields they represent. The process was to estimate the ratio of the total number of employees falling in the given category on August 15, 1920, to the number, who on the same date were working for the reporting employers, and then to multiply all items of earnings or hours by these ratios. In this manner, a record was obtained which portrays, as accurately as the data will permit, the results for the continental United States. The figures that appear in the tables are, therefore, not the totals of the samples sent in, but rather the estimated totals for the country as a whole.

This study constitutes the first serious effort to measure the total volume of employment in any country. It treats positively of employment rather than negatively of unemployment, and thus obviates the difficulties encountered by statisticians in getting satisfactory indexes of voluntary and involuntary unemployment. The volume of employment is best measured by the number of employee hours actually worked, and not by the number of persons on the pay roll, nor by the total of wages and salary payments. A unit susceptible of statistical measurement may then be used—a week's work, a day's work, or an hour's work for an employee. By this approach to the problem it is possible to ascertain changes in volume of employment and to measure definitely one of the effects of the business cycle upon the employees of the country.

The three types of questionnaire used are reprinted in the body of the text. These would probably have been better relegated to an appendix, as they serve only for reference. Eighty-five of the 144 pages of text are taken up by the 75 tables and 11 charts used in presenting the data. The tabulations and charts are well arranged. The limitations and deficiencies of the original data and of the estimates based upon them are fully appreciated. For example it is stated in the introductory chapter concerning the reliability of material used in many of the tables: "True, in the fields of building and construction, other hand trades, and public and professional service, the samples are too small to justify placing much faith in the estimates derived therefrom. The same may be said of the estimates for large-scale agricultural undertakings, and small-scale mining, transportation, financial, and personal-service enterprises." To the practical minded person who is skeptical of statistics a criticism that would be apt against the work as a whole is that it illustrates how well the skilful statistician can use a few figures (admitted to be estimates and not actual records) and arrive at important conclusions.

The monograph is a distinctly valuable contribution, and is worthy

of recognition, not only for its own conclusions but also as an example of applied statistical methods.

F. E. WOLFE.

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WINKLER, W. *Die Bedeutung der Statistik für den Schutz der nationalen Minderheiten*. (Leipzig: F. Deuticke. 1923. Pp. 75.)

Acme tables of bond values, showing net returns from 2 per cent to 10 per cent on bonds and other redeemable securities paying interest semi-annually; giving values accurate to the nearest cent on 1,000,000. (Boston: Financial Pub. Co. 1923. Pp. 773.)

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Labour report, 1922. No. 13. (Melbourne, Australia: Commonwealth Bureau of Census and Statistics. 1923. Pp. 183.)

Contains statistics of labor organizations, employers associations, fluctuations in employment, retail and wholesale prices, and rates of wages.

Live stock and animal products statistics, 1922. (Ottawa: Dominion Bureau of Statistics. 1923. Pp. 122.)

New Zealand. Statistical report on the industrial manufactures, 1921-22 (Pp. 64, 2s.). *Statistical report on local government, 1921-22* (Pp. 178, 3s. 6d.). *Statistical report on trade and shipping, 1922* (Pp. 433, 10s.). (Wellington: Census and Statistics Office. 1923.)

Statistique démographique de la ville d'Amsterdam jusqu'à l'année 1921. (Amsterdam: Bureau Municipal de Statistique. 1923. Pp. 28.)

Statistique du mouvement de la population, années 1914 à 1919. (Paris: Imprimerie Nationale. 1922.)

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Die Todesursachen in den Jahren 1911-1920. (Bern: A. Francke. 1923. Pp. 28.)

Die Wirtschaftskurve. Heft II and III, with indexes of the *Frankfurter Zeitung*. (Frankfurt a. Main, Germany: Frankfurter Societäts-Druckerei. 1923. Price, Mk. 1.25 with exchange "Multiplikator".)

Die Wirtschaftskurve (The Economic Trend) continues to be the most interesting and reliable source of current data on Germany's industrial and economic life that we possess. Published quarterly by the *Frankfurter Zeitung*, under the editorship of Ernst Kahn, it gives such a variety of aperçus as can be obtained in no other publication.

The two new volumes, the latter being for August, contain a number of instructive studies in such matters as the comparative profits of different industries through and since the war, with especially valuable résumés of the organization and activities of the "General Electric" of Germany ("A. E. G.") and of the Metallgesellschaft Scheideanstalt. Both numbers contain also much of interest as to economic conditions in Austria since "stabilization."

C. S.

PERIODICALS

The REVIEW is indebted to Robert F. Foerster for abstracts of articles in Italian periodicals, and to R. S. Saby for abstracts of articles in Danish, Dutch, and Swedish periodicals.

Economic History (United States)

(Abstracts by Amelia C. Ford)

- ALYORD, C. W. *Mississippi Valley problems and the American Revolution*. Minn. Hist. Bull., Feb.-May, 1922. Pp. 13. Discusses speculation in western lands, before the Revolution, to show that anger over imperial plans for the West formed a large element in the revolutionary psychology, particularly in Virginia.
- APPEL, L. and BLEGEN, T. C. *Official encouragement of immigration to Minnesota during the territorial period*. Minn. Hist. Bull., Aug., 1923. Pp. 37. Contains several documents which illustrate Minnesota's territorial activity in increasing population during the 50's by holding out inducements to immigrants.
- BRIGHAM, A. P. *Environment in the history of American agriculture*. Jour. of Geog., Feb., 1922.
- BUCK, S. J. *The story of the Grand Portage*. Minn. Hist. Bull., Feb., 1923.
- CORNWALL, G. M. *An illustration for community management*. Commonwealth Rev. Univ. Oregon, Apr.-July, 1923. Pp. 2. Outlines a plan for making the timber resources of Oregon continuous. Devised by the editor of *The Timberman*.
- DALE, E. E. *The ranchman's last frontier*. Miss. Valley Hist. Rev., June, 1923. Pp. 13. Describes the peculiar features of the cattle industry in Oklahoma between 1877 and 1889, and their influence upon other portions of the country. "Few better examples can be found of the changing of the industrial life of large areas by legislation that is manifested in the opening to settlement of the Oklahoma Indian reservations."
- EDMONDS, C. C. *Tendencies in the automobile industry*. Am. Econ. Rev., Sept., 1923. Pp. 20.
- ELLIOTT, T. C. *The Mullan Road: its local history and significance*. Wash. Hist. Quart., July, 1923. Pp. 4. Briefly describes the origin of this highway between Walla Walla and "the Upper Country," and the traffic that went over it after the discovery of gold in Idaho, Montana, and British Columbia.
- GILLETTE, J. M. *Social and economic background of the University of North Dakota in the eighties of last century*. Quart. Jour. Univ. North Dakota, July, 1923. Pp. 20. A detailed, statistical account showing that North Dakota had "abounding natural resources and a population composed of the best physical and cultural strains of Europe and America"; that "the University when founded was needed to meet the actual requirements of the people," and that it had an adequate foundation in the spiritual and industrial resources of the state.
- GLENN, J. M. *The industrial development of Illinois*. Transactions of the Illinois State Hist. Soc., 1921.
- HOWAY, F. W. *Early days of the maritime fur trade of the Northwest Coast*. Canadian Hist. Rev., March, 1923.
- KINGSTON, C. S. *Introduction of cattle into the Pacific Northwest*. Wash. Hist. Quart., July, 1923. Pp. 23. Sets forth with frequent quotations the situation regarding livestock in the Oregon country during the various periods of the Spanish, the fur traders, and the pioneers.
- LAY, G. C. *The Coronado Coal case and its consequences*. Iowa Law Bull., March, 1923.

- LELAND, W. G. *The Lesueur collection of American sketches in the Museum of Natural History at Havre, Seine-Inférieure.* Miss. Valley Hist. Rev., June, 1923. Pp. 26. Under "Notes and Documents." Summarizes the career of the French naturalist and artist, Lesueur; describes and classifies the sketches, which portray with remarkable realism the American frontier during the period 1816-1837; and indicates their historical value.
- LINDY, O. G. *Some aspects of mid-west America.* Minn. Hist. Bull., Feb.-May, 1922. Pp. 16. Includes a brief survey of the industrial outlook and transportation possibilities of the middle portion of North America.
- LUCAS, H. S. *A document relating to Dutch immigration to Iowa in 1846.* Iowa Jour. Hist. & Pol., July, 1923. Pp. 9. A translation of the rules adopted at Utrecht on December 25, 1846, by Hollanders planning to emigrate to the United States. Discovered accidentally in a mass of miscellaneous books and pamphlets for sale in the market square of Utrecht.
- MERENESS, N. D. *Historical material in Washington of value to the state.* Miss. Valley Hist. Rev., June, 1923. Pp. 7. Under "Notes and Documents." Discusses the abundant source material available in the national archives for the early history of most of the states, outside the original thirteen, or for a history of transportation, of finance, or of justice.
- McINTOSH, W. A. *Economic factors in Canadian history.* Canadian Hist. Rev., March, 1923.
- MITCHELL, J. *Deep waterways movement—their origin and progress in Ontario.* Ontario Hist. Soc. Papers and Records, vol. 19.
- MOBERLY, H. V. *Reminiscences of an H. B. C. fur trade factor.* The Beaver (Mo. Pub. of the Hudson's Bay Co.), Oct., 1921. Gives information regarding the Hudson's Bay Company's trade in the Canadian Northwest to the fifties. Continued for thirteen numbers.
- NIXON, H. G. *The economic basis of the Populist movement in Iowa.* Iowa Jour. Hist. & Pol., July, 1923. Pp. 24. Discusses the hardships endured by Iowa farmers in the 90's, and the favorable conditions that lessened their unrest more or less; finds the permanent effect of the Populist movement in Iowa to be the intensification of the agrarian policies of the major parties.
- NOTZ, W. *Neuere Entwicklungen in der weltwirtschaftlichen Stellung der Vereinigten Staaten.* Weltwirtsch. Archiv, Jan., 1923. Pp. 46. A scientific statement of American expansion in the last ten years in all important economic lines. Shows that the period of isolation is over, and points out various effects resulting from our rapid change from the status of an agricultural state to an industrial one.
- SHANNON, F. A. *The mercenary factor in the creation of the union army 1861-1865.* Paper given at Sixteenth Annual Meeting, Miss. Valley Hist. Assoc. at Oklahoma City, Oklahoma, March 19-31, 1923.
- SHOLWALTER, W. J. *America's amazing railway traffic.* Geog. Rev., April, 1923.
- VOELKER, A. C. *Hermiston as a community study.* Commonwealth Rev. Univ. Oregon, Apr.-July, 1923. Pp. 12. Traces in detail the development of this town in the desert region of Oregon, where the annual rainfall is nine inches, since the passage by Congress in 1905 of the Umatilla Irrigation Project.
- WALKER, P. F. *The industrial development of Kansas.* Published in two parts by the University of Kansas, as Engineering Bull., No. 12.
- WRIGHT, J. C. *Living and religious customs of pioneers in western Indiana.* Year Book of the Soc. of Indiana Pioneers for 1922.
- YOUNG, F. G. *The basis for distinctively higher Oregon community aims.* Commonwealth Rev. Univ. Oregon, Apr.-July, 1923. Pp. 18. An urgent plea for

direct constructive action in vitalizing and making progressive rural community life, setting forth at the end six main objectives for such a movement.

Development of cotton manufacturing in the United States. Commerce Mo., June, 1923. Pp. 4. Contrasts conditions in the cotton industry in the South with those in the North, and gives reasons for the transfer of New England cotton interests to the South. "Mills can find cheaper labor which will work longer hours in the cotton-growing states than elsewhere," and "the southern labor, also, is acquiring more skill from year to year."

To Nebraska in '57. Bull. of N. Y. Public Library, Feb., 1923. A diary of Erastus F. Beadle, publisher of Beadle's dime novels.

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Ventures in wheat. The Palimpsest, Feb., 1923. An adaptation by the editor from J. M. D. Burrows' *Fifty Years in Iowa*, telling of early speculation in this commodity.

From Vermont to Vermontville. Burton Hist. Collection Leaflet, Jan., 1923. A letter and biographical sketch relating to the experiences of Mr. and Mrs. Sylvester Cochrane in their emigration to Michigan in 1838.

Economic History (Foreign)

ANDERSON, B. M., JR. *How Germany can pay: a critique of the recent book, "Germany's Capacity to Pay."* Econ. World, Sept. 8, 1923. Reprinted from the *New York Times*. Pp. 3.

ANSTEE, MRS. V. *Some recent literature on finance and politics in India.* Economica, June, 1923.

ATTWOOD, T. S. *Primary products of New Zealand.* United Empire, Aug., 1923.

BULLARD, W. I. *Brazil—the promising land.* Stone & Webster Jour., May, 1923.

CORBINO, E. *I porti dell' Italia meridionale.* Giorn. d. Econ., July, 1923. Pp. 26. South Italian ports in their economic development.

DAVSON, E. *The economic conference and the colonies.* United Empire, July, 1923.

DENTAMARO, V. *Il commercio estero dell' Italia durante la guerra.* Giorn. d. Econ., June, 1923. Pp. 15.

DUMBELL, S. *Organization of the cotton market in the eighteenth century.* Econ. Jour., Sept., 1923. Pp. 12.

DURAN, P. *The economic and financial situation of France.* Econ. World, July 7, 1923. Reprinted from Acceptance Bulletin, June, 1923.

EASTMAN, M. *Jacobinism and bolshevism.* Queen's Quart., July-Sept., 1923.

VON ECKARDT, H. *Schicksal und Bedeutung der Industrie in der russischen Revolution 1917 bis 1922.* Archiv f. Sozialwis. u. Sozialpol., Band 51, Heft 1, 1923.

GANGEMI, L. *La situazione economico-finanziaria dell' Italia nel discorso del Ministro delle Finanze.* Riv. Bancaria, May, 1923. Pp. 21.

GOTHEIN, E. *Einige Neuerscheinungen auf dem Gebiet der Wirtschaftsgeschichte.* Archiv f. Sozialwis. u. Sozialpol., Band 50, Heft 4, 1923.

GRIFFIN, C. E. *The future of our creditor position.* Jour. Pol. Econ., Aug., 1923.

GUIDA, U. *Le associazioni e opere cristiane in Italia per l'assistenza degli emigranti.* Riv. Internaz., July, Aug., 1923. Pp. 10; 18. Devoted entirely to the "Opera Bonomelli," of whose history it is a very convenient survey.

HODGES, C. *Japan and the economics of disaster.* Annalist, Sept. 10, 1923. Pp. 1.

- KORST, K. *Sociale Nydannelser indenfor Erhvervslivet*. Nat. Øk. Tids., nos. 3 and 4, 1923. Pp. 42. Analyzes and discusses recent attempts to organize production and distribution on a more democratic basis.
- KOWALEWSKY, M. *La constitución económica de Cataluña y del lato Aragón*. Rev. Nacional de Economía, año XIV, núm. 43, 1923.
- LIESSE, A. *Sur la situation financière et monétaire du Reich: quelques opinions allemandes*. L'Econ. Franç., Aug. 11, 1923.
- MARTCHENKO. *Le régime agraire en Russie, son passé, et son présent*. L'Econ. Franç., July 28, Aug. 18, and Sept. 15, 1923.
- MARTIN, P. F. *The financial situation in Mexico*. Finan. Rev. Rev., Sept., 1923. Pp. 9.
- MEY, C. V. *Datos para la historia económica de la colonización española*. Rev. Nacional de Economía, año VIII, núm. 44. Pp. 44.
- MICHELIS, R. *Elemente zur Geschichte der Rückwirkung des wirtschaftlichen und gesellschaftlichen Milieus auf die Literatur in Italien*. Archiv f. Sozialwis. u. Sozialpol., Band 50, Heft 3, 1923.
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- RÉGNIER, P. *La situation économique de la Hongrie*. L'Econ. Franç., June 9, 1923.
- ROBINSON, L. R. *British investment trusts*. Supplement to Commerce Reports, April 16, 1923. Pp. 34.
- SECRETAN, P. *La vie économique en Allemagne: la question des salaires à valeur constante*. L'Econ. Franç., Sept. 15, 1923. Pp. 2.
- SEE, H. *Remarques sur le caractère de l'industrie rurale en France et les causes de son extension au XVIIIe siècle*. Rev. Hist., Jan.-Feb., 1923.
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- THOMPSON, J. W. *Crown lands in feudal Germany*. Jour. Pol. Econ., June, 1923.
- Economic position of Finland*. Commerce Mo., Aug., 1923.
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Agricultural Economics

(Abstracts by A. J. Dadisman)

- AUGE-LARIBE, M. *La production agricole*. Rev. d'Econ. Pol., March-April, 1923. Pp. 11. Quantity of principal crops produced before and since the World War is given, together with aids for increasing production.
- BUCHANAN, D. H. *The rural economy of Japan*. Quart. Jour. Econ., Aug., 1923. Pp. 34. A discussion of size of holdings, tenure, utilization of land, incomes, methods used, and modes of living.
- CANNAN, E. *The agricultural inquiry*. Econ. Jour., June, 1923. Pp. 6. A criticism of the Agricultural Tribunal of investigation of British agriculture.
- CONACHEE, H. M. *Agrarian reform in Eastern Europe*. Intern. Rev. Agri. Econ., Jan.-March, 1923. Pp. 16. Reforms in land systems and holdings are considered.
- COSTANZO, G. *The principal types of agricultural coöperative society in Italy*. Intern. Rev. Agri. Econ., Jan.-March, 1923. Pp. 30. An outline of the characteristics and development of the five principal groups of coöperative societies in Italy.

- DADE, H. *The new legislation on chambers of agriculture in Germany.* Intern. Rev. Agri. Econ., April-June, 1923. Pp. 11. A summary of present-day organization of the chambers of agriculture in Germany in so far as regulated by legislation. Purposes, eligibility of members, activities, etc., are given.
- ENGLUND, E. *Fallacies of a plan to fix prices of farm products by government control of the exportable surplus.* Jour. Farm Econ., April, 1923. Pp. 16. An argument opposing fixing prices of farm products.
- ESTCOURT, R. *The American farmer problem.* Annalist, Aug. 20, 1923. Pp. 2. A contrast of Old World and New World farming and the problem of wheat supply.
- FRIDAY, D. *The recovery of agriculture.* Am. Rev. Rev., Aug., 1923. Pp. 5. An analysis of the farmers economic situation and his optimistic outlook.
- GALPIN, C. J. *The country life movement in the United States.* Intern. Rev. Agri. Econ., July-Sept., 1923. Pp. 21. A discussion of the rise of the country life movement, its problems, and outlook.
- GARDNER, C. *Agricultural coöperation.* U. S. Dept. Agr. Misc. Cir. No. 11, July, 1923. Pp. 55. A selected and annotated reading list of literature on agricultural coöperation.
- GOLDFINCH, A. *Wool supplies and consumption.* Bull. Nat. Assoc. Wool Mfrs., July, 1923. Pp. 8. World's supply and consumption for 1922 and 1923.
- GRIMES, W. E. *The problem of interest and rent in cost determination.* Jour. Farm Econ., Apr., 1923. Pp. 7. An argument in favor of listing interest and rent as separate items in cost determination.
- HAAS, G. C. *Farm labor supply and business.* Jour. Farm Econ., July, 1923. Pp. 3. The accuracy of estimates of farmer reporters and farm labor conditions in relation to business cycles. Two figures are given.
- HANLEY, R. E. *A grower's marketing machine.* Jour. Farm Econ., July, 1923. Pp. 6. The facilities for marketing fruits and vegetables are outlined.
- HASLAM, J. H. *A farm crisis in Western Canada.* Am. Rev. Rev., July, 1923. Pp. 6. The economic and political problems of western Canadian farmers are discussed.
- HILDEBRAND, K. *The central coöperative banks of the rural and agricultural coöperative societies in Germany.* Intern. Rev. Agri. Econ., July-Sept., 1923. Pp. 25. The organization, operation, function, legal form, capitalization, credit, etc., are explained.
- JONESCU-SIRESTI, G. *Share tenancy in Rumania.* Intern. Rev. Agri. Econ., April-June, 1923. Pp. 16. Origin and development of share tenancy in Rumania.
- LACY, M. G. *Food control during forty-six centuries.* Sci. Mo., June, 1923. Pp. 15. A review of attempts by governments to limit prices in nine countries.
- LORENZONIA, G. *Latifundia in Sicily and their possible transformation.* Intern. Rev. Agri. Econ., July-Sept., 1923. Pp. 34. A description of Sicily and her large estates and a prophecy that tree planting and improved cereal culture will transform the estates.
- LONG, VISCOUNT. *Prospect of agricultural land.* Finan. Rev. Rev., June, 1923. Pp. 6. Possible utilization of farm land in New England.
- LUCKETT, J. D. *Doing something for the farmer.* Am. Rev. Rev., Aug., 1923. Pp. 4. A plea for carefully planned investigational work in solving agricultural problems. The work in New York is cited.
- PRESTON, H. H. *Recent developments in Iowa agricultural finances.* Jour. Am. Bankers Assoc., Sept., 1923. Pp. 4. Difficulties in financing farmers during the last few years, and how the difficulties were met.

- MEYER, H. B. *Possibilities of improving marketing through better organization.* Jour. Farm Econ., July, 1923. Pp. 18. A study of the number and type of marketing units between producer and consumer.
- ROBERTS, G. E. *If we fixed a wheat price.* Jour. Am. Bankers Assoc., Sept., 1923. Pp. 4. An argument opposing price fixing by legislation.
- TAYLOR, C. C. *A statistical analysis of farm management data.* Jour. Farm Econ., July, 1923. Pp. 10. Suggested statistical methods are given.
- TENNY, L. S. *Measures taken to facilitate agricultural coöperation in the United States.* Intern. Rev. Agri. Econ., April-June, 1923. Pp. 8. A review of federal legislation on agricultural coöperation, and scope and extent of agricultural coöperation in the United States.
- TOMLINSON, F. L. *The cultivation of allotments in England and Wales during the war.* Intern. Rev. Agri. Econ., April-June, 1923. Pp. 58. History of the allotment movement before the World War and during the war, legislative measures, and general results achieved. Nine tables are given.
- ULM, A. H. *Australia turns to cotton.* Am. Rev. Rev., July, 1923. Pp. 4. An account of the present cotton boom in Australia with many official comments.
- VELARDEZ, J. G. *Land settlement in the Argentine Republic.* Intern. Rev. Agri. Econ., April-June, 1923. Pp. 22. A history of land settlement and a glance at the present situation.
- VIRTUE, G. O. *Legislation for the farmers: packers and grain exchanges.* Quart. Jour. Econ., Aug., 1923. Pp. 18. A review of the Packer and Stockyard, Future Trading, and Grain Futures, acts.
- YOUNG, F. G. *Realization of coöperation, fellowship and life enrichment in the Oregon rural community.* Commonwealth Rev. of Univ. of Oregon, Jan., 1923. Pp. 18. An analysis of the social and economic conditions of the rural folk.
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- Jordreformen i Finland år 1922.* Soc. Med., no. 6, 1923. Pp. 5. A favorable account of the Finnish land reform measures of 1922, aiming at a wider distribution of land ownership and the encouragement of agriculture.
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Railways and Transportation

(Abstracts by Julius H. Parmelee)

- ACWORTH, W. M. *Railway grouping in England.* Harvard Bus. Rev., July, 1923. Pp. 3. Brief comparison of the railway consolidation situation in England and the United States, from the British point of view.
- BEYER, O. S., JR. *The employee morale problem of our railroads.* Ry. Age, Oct. 13, 1923. Pp. 3.
- BIBBINS, J. R. *Railroads—the arteries of commerce.* Proc. Am. Soc. of Civil Engineers, Sept., 1923. Pp. 15. Past and probable future growth of transportation needs in the United States. With diagrams.
- BACH, H. *A revelation in railway fares.* English Rev. (London), July, 1923. Pp. 6. Because of motor competition, suggests passenger fare schedules based on train speed.
- BUDEN, F. H. *Railways of India adopt revised statistics.* Ry. Age, Oct. 6; 13; 1923. Pp. 3; 3.

- COXE, J. W. *The rising tide of taxes.* Norfolk & Western Mag., Oct., 1923. Pp. 2.
- CROWLEY, P. E. *The proposed new trunk line, Chicago to New York.* Ry. Rev., Oct. 13, 1923. Pp. 2. Proposed consolidation by which New York Central will have new line to Chicago, 40 miles shorter than its present main route with map.
- DOZIER, H. D. *Why do not college men enter railroading?* Ry. Age, July 7, 1923. Pp. 2. An appeal for closer coöperation between the colleges and the railroads.
- GORBY, J. W. *National Transportation Institute's plan for organized work.* Ry. Rev., Oct. 6, 1923. Pp. 3.
- HENRY, R. S. *Some freight rates are too low.* Nation's Bus., Oct., 1923. Pp. 2. Discussion of certain class rates.
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- KEARNEY, E. J. *Transportation—the master key to progress.* Ry. Age, Oct. 13, 1923. Pp. 4.
- LIESSE, A. *Sur l'industrie des chemins de fer.* L'Econ. Franç., Aug. 18, 1923. Pp. 3.
- MORSE, C. A. *Some disadvantages of compulsory consolidation.* Ry. Age, July 28, 1923. Pp. 2.
- MULLINIX, S. W. *The railway shop of 40 years ago—and today.* Ry. Rev., July 14, 1923. Pp. 2.
- PORTE, M. *Les transports.* Rev. d'Econ. Pol., March-April, 1923. Pp. 12.
- POTTER, M. W. *The railroads and the coal industry.* Ry. Age, July 7, 1923. Pp. 5. Dissenting opinion of Commissioner Potter in assigned coal car case.
- SANDERS, T. H. *The essential facts of railway valuation.* Harvard Bus. Rev., Oct., 1923. Pp. 6. Brief summary of valuation work and possible results.
- SLATER, J. E. *I. C. C. statistics and operating efficiency.* Ry. Age, July 21, Sept. 7, 1923. Pp. 3; 3. Operating statistics as a guide to efficiency and earning power; value of the several factors of performance.
- SOULE, G. *The railroad alternative.* New Repub., Sept. 12, 1923. Pp. 3. Advocates some form of nationalization.
- SPLAWN, W. M. W. *Valuation and rate regulation by the railroad commission of Texas.* Jour. of Pol. Econ., Oct., 1923. Pp. 33. Critical review of valuation principles as applied to the railways of Texas.
- STEVENSON, G. S. *Rehabilitation of New England roads.* Savings Bank Jour., Aug., 1923. Pp. 3. Comment on report of Joint New England Railroad Committee.
- WENDT, E. F. *Federal valuation.* Ry. Age, July 28, 1923. Pp. 2.
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- WORLEY, J. S. *Consolidation of railroads should be voluntary.* Ry. Rev., Aug. 11, 1923. Pp. 3.
- Commission prohibits assigned car practice.* Ry. Age, July 7, 1923. Pp. 5. Majority opinion in an important decision, in which the Interstate Commerce Commission overturns a long standing and authorized practice.

- Formal completion of Alaska Railroad.* Ry. Rev., July 28, 1923. Pp. 2. Our only government railway, 471 miles long, described, with map.
- From 1834 to 1923 in locomotive history.* Ry. Rev., Aug. 4, 1923. Pp. 4.
- Imperialism, intrigue, and the Chinese Eastern.* Ry. Age, Aug. 11, 1923. Pp. 4. Results of Franco-Chinese control.
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- President Coolidge on transportation questions.* Ry. Rev., Aug. 11, 1923. Pp. 3.
- The railways of the Netherlands East Indies.* Ry. Gaz. (London), Aug. 17, 1923. Pp. 3. With maps and illustrations.
- Three years of railroad operation under the Transportation act.* Ry. Rev., July 21, 1923. Pp. 4. A review issued by the Association of Railway Executives.
- What are our railways worth?* Indus. Digest, Aug., 1923. Pp. 3. Railway capital securities compared with tentative valuation of railway property by Interstate Commerce Commission. Valuation situation to date.

Shipping

(Abstracts by Marjorie Sheets)

- BLACKALL, A. C. *British merchant marine turning to oil.* Nautical Gaz., Sept. 1, 1923. P. 1. Motorship building; steamship conversion from coal to oil burners; comparative costs of operation.
- CHAMBERLAIN, E. T. *The Australian government's merchant fleet.* Commerce Reports, Sept. 24, 1923. P. 1. Financial results of operation of Australian government fleet in last two years. Proposed reorganization in bill now before Parliament.
- FARRELL, J. A. *A way out for our merchant marine.* Nation's Bus., Aug., 1923. Recommends coöperation between American and foreign competing lines, in elimination of surplus tonnage; and the sale, to foreigners, of American-built ships in excess of our needs, at current world prices. Advocates a liberal and friendly attitude on the part of the government to foreign shipping, to insure same attitude abroad for American shipping.
- . *The world's shipping equipment.* Pacific Marine Rev., July, 1923. Pp. 8. Reprint of address before the Tenth National Foreign Trade Convention at New Orleans. Comprehensive survey of factors affecting the shipping industry in general, and the United States war-built fleet in particular.
- GREGG, E. S. *The business significance of oil-burning ships.* Harvard Bus. Rev., Oct., 1923. Pp. 6. The growth of oil-burning steam and motor tonnage. Possible effect on future level of freight rates and on British shipping supremacy.
- PHILIPPAT, G. *The French mercantile marine.* Fairplay, Aug. 16, 1923. Pp. 2. Survey of post-war position of French merchant marine: difficulties in way of successful operation.
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Memorial to the U. S. Shipping Board. Pacific Marine Rev., Sept., 1923. Pp. 4. Arguments by the Portland, Oregon, Chamber of Commerce in favor of the sale of Shipping Board fleet to private owners.

World shipping situation. Commerce Reports, Aug. 27, 1923. Pp. 3. Semi-annual survey of shipping, including consideration of changes in freight rates, ship prices, laid-up tonnage, size of merchant marines and volume of foreign trade.

Commerce

(Abstracts by H. R. Tosdal)

ANDERSON, B. M., JR. *Agricultural credits and coöperative marketing.* Chase Econ. Bull., Aug. 10, 1923. Pp. 35. Farmers' difficulties caused by world's lack of economic equilibrium. Suggests remedies, but states that coöperative marketing will not solve problem.

AUGÉ-LARIBÉ, M. *Le marché de la viande.* Rev. des Etudes Coöperatives, April-June, 1923. Pp. 13. Intensive study of organization of French livestock market in an attempt to find reasons for price levels and variations.

BURNS, A. R. *The effect on trade of funding the floating debt.* Economica, June 1923. Pp. 5. Shows that funding operations did not adversely affect trade in Great Britain.

DESANTIS, M. *Il dazio di importazione sul riso in Italia.* Rif. Soc., May-June, 1923. Pp. 9.

FRUSSELLA-VELLA, G. *La questione zolfifera siciliana. I capitali della rivoluzione della crisi e l'accordo con l'America.* Riv. Internaz., July, 1923. Pp. 10. Counsel the Italian sulphur producers to reform their industry and not depend excessively on the agreement with American producers.

GIGNOUX, C. J. *Politique douanière et traités de commerce.* Rev. d'Econ. Pol., March-April, 1923. Pp. 14. Study of recent French customs policy and commercial treaties.

GOTHEIN, G. *Las relaciones comerciales de Alemania con la Alemania con la América latina.* Rev. Econ. Argentina, April-May, 1923. Pp. 13. Discusses trade relations between Germany and Latin-America, with particular reference to Argentina and Chile.

HAUSSELEITER, O. *Der Gedanke der Autarkie als Leitsatz der auswärtigen Handelspolitik und seine Begründung.* Jahrb. f. Nationalök. u. Stat., March, 1923. Pp. 48. A critical historical study of national self-sufficiency as a guiding principle in the development of foreign trade policies of nations. Traces influence from earliest times.

KAYDEN, E. M. *Russia's home trade reviving.* Annalist, Aug. 28, 1923. Pp. 2. Describes development of the Russian trade exchanges, which have been gradually increasing their activities since middle of 1922.

KLEIN, J. *Why bother with foreign trade?* System, Oct., 1923. Pp. 3. Give arguments for entering export field.

LEWIN, E. *The North-West Company and the fur trade.* United Empire, June 1923. Pp. 3. Brief historical sketch of the North-West Company.

MERRITT, J. K. *Empire trade, and how to develop it.* United Empire, June, 1923. Pp. 7. Account of discussion concerning British colonial trade promotion, which took place at meeting of Royal Colonial Institute.

OLIVIER, M. *Le commerce extérieur.* Rev. d'Econ. Pol., March-April, 1923. Pp. 27. Compares statistics of French foreign trade in 1922 with those of 1913 and 1921.

PAYEN, E. *Le café: sa production et sa consommation.* L'Econ. Franç., May 12, 1923. Pp. 2. Gives statistics of coffee exports and imports by countries.

_____. *L'étain et son marché*. L'Econ. Franç., Sept. 8, 1923. Pp. 2. Gives account of world market for tin.

_____. *L'industrie de la soie en France en 1922*. L'Econ. Franç., May 5, 1923. Pp. 2. An article dealing with the production and exportation of silk manufactures in France, supplementing a previous exposition of the raw product.

PICARD, M. *La législation commerciale interne*. Rev. d'Econ. Pol., March-April, 1923. Pp. 7. Résumé of recent French domestic trade legislation, particularly the new patent laws and regulation of exchange operations and illicit speculation.

WELCH, R. L. *The petroleum field*. The Annals, July, 1923. Pp. 4. States that danger of petroleum supply becoming inadequate will be obviated if nations follow open-door policy regarding capital for investment.

WHEELER, H. *What happened to sugar*. Nation's Bus., July, 1923. Pp. 3. Popular article upon sugar situation.

Our "unfavorable" trade balance. Indus. Digest, July, 1923. Pp. 2. Gives export and import statistics and states that "our ability to continue importing more than we export for a considerable period of time without giving foreign creditors a claim upon our gold reserve is explained by the accumulation of credits in our favor since 1913, which have not been fully offset."

United States trade with trans-Pacific countries. Commerce Mo., Aug., 1923. Pp. 10. Declares that trade with trans-Pacific countries, which in 1922 amounted to 21 per cent of total U. S. foreign trade is fundamentally sound.

World trade in tea. Commerce Mo., Sept., 1923. Pp. 8. Statistical study of production and consumption of tea, 1909-1922.

Public Utilities

(Abstracts by Charles S. Morgan)

BAUER, J. *The Supreme Court and reproduction value in rate making*. Nat. Munic. Rev., Sept., 1923. Pp. 3. Recent Southwestern Bell decision did not erect reproduction cost as the determinative basis of valuation. Valuation dilemma cannot be solved until a permanent basis is reached, preferably actual investment, but, if necessary, a reproduction basis as a starting point and actual investment thereafter.

CHASE, F. L. *The exhaustion of our natural gas*. Gas Age-Record, June 16, 1923. Pp. 3. Supply of natural gas rapidly being exhausted through a rate structure which does not encourage economy or a wise distribution of consumption.

CHENERY, C. F. *The economic capitalization of a public utility company*. Annalist, June 11, 1923. Pp. 2. In general, bond issues should provide between 60 and 70 per cent of capital requirements, remainder to be met about equally by common and preferred stock. Demonstration of how return on common stock is dependent on proportion of bonds and preferred stock.

COLTON, J. W. *Detroit's street railways*. Aera, July, 1923. Pp. 14. Discussion of various advantages enjoyed by Detroit's municipal railways which are thought to account for results of first year's operation.

EISENMENGER, H. E. *Straight lines as rate curves*. Elec. World, June 2, 1923. Pp. 6. A method which simplifies the representation of electric rates.

FOGG, P. M. *Four years of municipal railway ownership in Seattle*. Elec. Ry. Jour., Aug. 4, 1923. Pp. 3. Difficulties encountered and present problematical situation.

GUERNSEY, N. T. *The Missouri rate case*. Bell Telephone Quart., July, 1923. Pp. 3. A careful statement of Supreme Court findings in this case. "Cost of reproduction is a factor that must be taken into account," but "it does not furnish an arbitrary measure of the value of a utility."

- HARKNESS, L. T. *A review of New York's transit situation.* Elec. Ry. Jour., Oct. 6, 1923. Pp. 6. Member of New York (City) Transit Commission finds the local situation one of increasingly greater difficulty.
- KELLOOG, C. W. *Financing public utilities.* Stone & Webster Jour., June, 1923. Pp. 10. Relationships of management, financier and engineer in plant construction.
- KNIGHT, P. O. *Some suggestions for the solution of rate-making troubles.* Stone & Webster Jour., July, 1923. Pp. 7. Regulation lacks independence of action; either commissioners should be appointed for life and be well paid or a form of arbitration, here outlined, should displace commission regulation.
- LANGDON, W. C. *The early corporate development of the telephone.* Bell Telephone Quart., July, 1923. Pp. 20. Corporate development from early "Bell Patent Association" to present American Telephone and Telegraph Company.
- MALTRIE, W. H. *The theory and practice of public utility valuation.* Aera, July, Aug., Sept., 1923. Pp. 15; 6; 10. Final instalments in series of comprehensive articles.
- MCGRATH, W. H. *Public ownership of utility securities.* Stone & Webster Jour., Aug., 1923. Pp. 7. Advantages—to utility, investor and community of customer ownership of utility securities.
- MURPHY, E. J. *Traffic and earnings increase.* Aera, July, 1923. Pp. 3. Condensed summary of salient statistics in electric railway field. Increased traffic must, if possible, compensate for increasing operating costs. Average fare has declined from 7.11 cents in January, 1922, to 7.08 cents in April, 1923.
- ST. CLAIR, L. *The great Saginaw failure.* Aera, Sept., 1923. Pp. 6. Two years' experience with buses as sole means of transportation has led to return to trolley service.
- SIMPSON, J. *Recent decisions on rates charged for public utility services.* Gas Age-Record, July 21, 1923. Pp. 2.
- . *Underlying principles governing commission decisions.* Gas Age-Record, Aug. 18, 1923. Pp. 4. Based on orders and decisions of last two years.
- . *Valuation of public utilities.* Gas Age-Record, June 30, 1923. Pp. 3. Digest of recent cases.
- SPUER, H. C. *Local vs. state control.* Gas Age-Record, July 21, 1923. Pp. 5. Various possible forms of regulation. Superiority of state control.
- STOFFEL, T. H. *Interurban possibilities from freight business.* Aera, Aug., 1923. Pp. 6. Interurbans can best find relief from their present straitened circumstances by developing a far-reaching freight service.
- TOPPING, V. *Economic fields of trolley car and bus.* Elec. Ry. Jour., Aug. 25, 1923. Pp. 3. Comparative costs per route-mile for safety cars, trolley buses and auto buses. Selection of type a matter of density of traffic.
- URSON, L. D. *Municipal ownership in Detroit.* Nat. Munic. Rev., Sept., 1923. Pp. 3. Creditable progress has been made during the first year of municipal operation, but the real test remains with the future.
- Bare ruinous competition.* Aera, Aug. 23, 1923. Pp. 7. Two Illinois Supreme Court decisions in which necessity of protecting existing utility business from irresponsible or undesirable competition is emphatically affirmed.
- Chicago's unified transit plan revived.* Elec. Ry. Journ., July 14, 1923. Pp. 4. Summary of special report suggesting means of unifying and improving Chicago's transportation service.
- More railways using buses.* Aera, Oct., 1923. Pp. 3. Increasing number of electric

railways are operating auxiliary buses with a view to furnishing a unified and economical local transportation service.

Prof. Hale, Mr. Maltbie and Mr. Harte. Aera, Aug., 1923. Pp. 5. Views of Professor Hale and W. H. Maltbie as to relationship of earning power to value.

Proven improvements available for bettering operation. Elec. Ry. Jour., July 7, 1923. P. 1. Forty-one economy and betterment measures suggested for consideration of electric railway managers.

Railways loaded with taxes. Aera, Oct., 1923. Pp. 8. An analysis of tax burden of electric railways, based on experience of 113 companies. Taxes and imposts represent approximately 9.6 per cent of operating revenues of these companies.

Report of executive secretary. Aera, Oct., 1923. Pp. 29. Includes extensive list of investigations and compilations made by statistical staff of American Electric Railway Association.

Report on bus operation. Aera, Oct., 1923. Pp. 12. Summary of experience of 17 electric railways with bus operation, including reasons for inauguration of bus service, types of service and rates of fare.

The residence consumer—what he costs and what he is worth. Elec. World, June 2, 1923. Pp. 3. Need for more cost data on this class of user of electric service.

Valuation and prices. Aera, Oct., 1923. Pp. 8. Summary by Valuation Committee of American Electric Railway Association of valuation situation to-day, as indicated by recent court and commission decisions. No immediate or far-reaching recession of price level is expected.

Accounting

(Abstracts by Martin J. Shugrue)

AAL, K. Warehouse cost accounting. Pace Student, Sept., 1923. Pp. 5.

BANG, I. Regnskabsförling: Landbruget. Nat. ök. Tids., nos. 3 and 4, 1923. Pp. 18. The need of accounting methods on the farm, particularly from the point of view of taxation.

CARSON, G. C. Elimination of intercompany profits in consolidated statements. Jour. Account., July, 1923. Pp. 5. Illustrated with simple figures.

COLE, W. M. A problem in joint costs. Harvard Bus. Rev., July, 1923. Pp. 10. One of the most interesting problems of accounting, which has also a decided economic aspect, has to do with the distribution of overhead for joint cost goods. Typical methods of procedure are presented and analyzed, and the resulting principles deduced.

DARNELL, R. W. Increased profits through control of cost. Management and Administration, Sept., 1923. Pp. 4. Methods of production and routing.

FRAZER, G. E. Controlling a business with a budget. System, June, 1923. Pp. 3. The budget that best brings control is not one which deals with the future solely on the figures of the past. Other necessary features are discussed.

HERMANN, C. C. Three points of attack on production costs. Indus. Manag., July, 1923. Pp. 6. Analyzing the product, the plant, and the interrelationship of operations.

HOUSE, J. A. Your cost policies from your banker's viewpoint. Factory, June, 1923. Pp. 3. Policies in regard to labor costs, prorating overhead and figuring depreciation in preparing financial statements.

HOWARD, T. W. Is our investment in cost accounting profitable? II. What the different cost methods are. Factory, Sept., 1923. Pp. 3. Brief summary of six of the most common cost finding methods.

- JOHNSON, G. H. *Amortization and depreciation in public service corporations.* Jour. Account., July, 1923. Pp. 8. The problem of proper provision for depreciation of public service corporations and the amortization of book cost of limited-term franchises. The question of reversion of balance-sheet figures to harmonize with appraisal values.
- LICKEL, H. H. *Conditions peculiar to the import business.* Pace Student, Sept., 1923. Pp. 4. Accounting methods for importers.
- MATHERLY, W. J. *Proposed taxation of stock dividends.* Jour. Account., Aug., 1923. Pp. 7. Sound and unsound measures relative to taxation of stock dividends and corporate earnings.
- MOSS, A. G. *Treatment of appreciation of fixed assets.* Jour. Account., Sept., 1923. Pp. 19. In the accounts and balance sheet and for income tax purposes.
- RHODES, J. E. *Selling securities to employees.* Jour. Account., Aug., 1923. Pp. 7. Benefits and difficulties of the plan of corporations selling stock to their employees. Contains brief outlines of the methods of large representative organizations.
- VIERLING, F. *The Franklin trust.* Jour. Account., July, 1923. Pp. 12. Reviews the value of service rendered by long-time accumulating trust funds.
- Report of committee on standardization of cost factors of the National Association of Wool Manufacturers.* Bull. Nat. Wool Mnfrs., April, 1923. Pp. 24. The purpose of the report is not to set up standards of cost, but to present an interpretation and classification of the elements, or factors, of cost which lead to the introduction of standardized and more accurate accounting methods.

Business Management

- AMES, E. E. *More output: lower costs: control.* Manag. and Admin., Sept., 1923.
- BARBER, J. H. *How the Walworth Company looks ahead.* II and III. Manag. and Admin., July, Aug., 1923. Pp. 4; 6.
- BOOMER, L. M. *How we fitted Ford's principles to our business.* System, Oct., 1923. Pp. 4.
- COLE, A. H. *The proposed "truth in fabric" law impartially examined.* Bull. Nat. Assoc. Manfrs., April, 1923.
- CONGER, L. J. *The tie-up of sales and production.* Bull. Taylor Soc., Aug., 1923.
- COONLEY, H. *The control of an industry in the business cycle.* Harvard Bus. Rev., July, 1923. Reprinted in Bull. Taylor Soc., Aug., 1923.
- FILENE, E. A. *More sales; more satisfied customers—but smaller stocks.* System, Sept., 1923.
- HALL, K. *The planning department as an instrument of executive control.* Bull. Taylor Soc., June, 1923.
- KIMBALL, D. S. *The organization of modern industry.* Manag. and Admin., July, 1923. Pp. 8.
- KING, W. I. *Safeguarding industry by stabilizing employment.* Bull. Taylor Soc., June, 1923.
- KINGSBURY, F. A. *Grading the office job.* V, *Practical use of specifications and gradings.* Admin., June, 1923.
- KORNHAUSER, A. W. *Psychological tests for business.* Jour. Pol. Econ., June, 1923.
- LORD, C. B. *Visualized management control.* Manag. and Admin., Sept., 1923. Pp. 4.

LOVETT, R. F. *Present tendencies in personnel practice.* Indus. Manag., June, 1923. Pp. 7. A compilation of facts gleaned from a study of seventy-four large business organizations.

MCPHERSON, J. B. *Textile branding bills in state legislatures.* Bull. Nat. Assoc. Wool Mnfrs., July, 1923.

PERSON, H. S. *On the contribution of scientific management to industrial problems.* Bull. Taylor Soc., June, 1923.

REED, M. *The military type of organization.* Bull. Taylor Soc., Aug., 1923.

SHAW, A. W. *Simplification: a philosophy of business management.* Harvard Bus. Rev., July, 1923.

STARCH, D. *Testing the effectiveness of advertisements.* Harvard Bus. Rev., July, 1923.

WELD, L. D. H. *Are there really too many retailers?* System, Aug., 1923.

WHITE, C. T. *Salaries of executives.* Administration, June, 1923.

Ford's new selling plan. Indus. Digest, May, 1923. Pp. 2.

Labor and Labor Organizations

(Abstracts by David A. McCabe)

BAUMGART, H. *Polish labour legislation.* Intern. Lab. Rev., June, 1923. Pp. 20.

BELL, H. *The regulation of wages.* Contemp. Rev., Sept., 1923. Pp. 11. Unfavorable criticism of the settlement in the British coal industry and of government intervention generally.

BINDER, C. *More government in industry.* Survey, Sept. 15, 1923. Pp. 3. The handling of unemployment by joint agreement in the mens' clothing industry of Chicago.

BLANSHARD, P. and LADD, W. P. I, *What labor asks of the church.* II, *The Christian attitude toward labor.* Forum, Aug., 1923. Pp. 6, 11.

BLANSHARD, P.; REA, S.; and GOOD, N. P. *Company unions vs. national unions? A debate.* Nation, July 25, 1923. Pp. 3. Writers are, respectively, field secretary, League for Industrial Democracy; the president of the Pennsylvania Railroad; and the president of a system federation of the shop crafts.

BLOCH, L. *Some effects of the California minimum wage law.* Mo. Labor Rev., Aug., 1923. Pp. 12.

BRECKINRIDGE, S. *Home responsibilities of women workers and the "equal wage."* Jour. Pol. Econ., Aug., 1923. Pp. 23. Facts disclosed by American and English studies refute the contention that men should receive higher wages than women for same work because former have to support dependents and latter do not.

BRÜERE, R. W. *The anthracite paradox.* Survey, Sept. 15, 1923. Pp. 4.

———. *Next winter's coal.* Survey Graphic, Aug., 1923. Pp. 4. Comment on the preliminary anthracite report of the U. S. Coal Commission.

CANTWELL, E. J. *Employment administration in the United States Post Office Department.* Intern. Labor Rev., July, 1923. Pp. 5. Favorable summary of activities of the Service Relations Division. Author is secretary of the National Association of Letter Carriers.

CHAFEE, Z., JR. *Company towns in the soft coal fields.* Independent, Sept. 15, 1923. Pp. 3.

CHAPPELL, F. C. *The "living wage" fallacy.* Annalist, Sept. 17, 1923. Pp. 2. Comment on British experiences.

- CHRISTAENS, A. G. *Vocational guidance in Brussels*. Intern. Lab. Rev., Sept., 1923. Pp. 15.
- CLARK, D. L. *Disease—as a compensable injury*. Mo. Labor Rev., July, 1923. Pp. 7.
- CONACHEE, H. M. *The regulation of agricultural labour conditions in Continental Europe*. Intern. Lab. Rev., Aug., 1923. Pp. 28. Discusses problem of regulation in light of differences in climate, land tenure, and consumption demands of the populations. Writer is member of Scotch Board of Agriculture.
- DOBBIN, M. *Individual and collective bargaining under Mexican state labor laws*. Mo. Labor Rev., Aug., 1923. Pp. 16.
- DOUGLAS, P. H. *Wages regulation and children's maintenance in Australia*. Quart. Jour. Econ., Aug., 1923. Pp. 44. The various official findings as to amount necessary for family living wage and the proposals for separate payments for maintenance of children.
- DULOT, C. *The present position in the French trade union movement*. Intern. Lab. Rev., May, 1923. Pp. 24.
- EMMOTT, LORD. *The relations of capital and labour*. Jour. Royal Stat. Soc., Jan., 1923. Pp. 21. A "captain of industry" favors profit-sharing and copartnership and opposes nationalization and guild socialism, in presidential address to the society.
- FEIS, H. *The Kansas Court of Industrial Relations: its spokesmen, its record*. Quart. Jour. Econ., Aug., 1923. Pp. 29. Summarizes the arguments offered for the Court by its proponents, analyzes its actions and decisions, appraises the opposition to it, and points the lessons from the experiment.
- FILENE, E. A. *The minimum wage and efficiency*. Am. Econ. Rev., Sept., 1923. Pp. 5.
- FISHER, A. *A Farmer-Labor party for 1924?* New Repub., July, 1923. Pp. 2.
- FLORENCE, P. S. *Recent researches in industrial fatigue*. Econ. Jour., June, 1923. Pp. 13. Critical review of the reports of the British Industrial Fatigue Research Board with some comparisons with American findings.
- FRANKEL, E. *How Germany settles industrial disputes*. Mo. Labor Rev., Sept., 1923. Pp. 10.
- . *Industrial government through collective agreements in Germany*. Manag. and Admin., July, 1923. Pp. 4.
- HANNA, G. *Women in the German trade union movement*. Intern. Labor Rev., July, 1923. Pp. 17. Writer is member of the Women's Secretariat of the General Federation of German Trade Unions.
- GERARD, G. L. *L'organisation du travail envisagée au point de vue patronal*. Rev. de l'Inst. de Sociol., July, 1923. Pp. 22. Attacks collectivism and the preaching of working class control and emphasizes the need of proper organization for production.
- GERRITSE, J. *Measures to combat unemployment in the Netherlands*. Intern. Labor Rev., June, 1923. Pp. 19.
- GIACCAZZI, C. *Sindacati zianchi o cattolici?* Riv. Internaz., May, 1923. Pp. 25. A query, by a Catholic, whether labor organizations acknowledging a religious inspiration can remain non-confessional.
- GINTI, C. *Sul livello dei salari reali nel dopo-guerra in Italia in confronto al loro livello prebellico*. Riv. di Pol. Econ., April, 1923. Pp. 28.
- GURADZE, H. and FREUDENBERG, K. *Das Existenzminimum des geistigen Arbeiters*. Jahrb. f. Nationalök. u. Stat., April, 1923. Pp. 7. Mental workers now receive less than minimum wage necessary for bare existence.

- HOOPER, B. W. *The fantasy of the "living wage."* Nation's Bus., June, 1923. Pp. 3. Chairman of Railroad Labor Board defends refusal of Board to base wage awards on living wage as a minimum.
- HÖST, H. *Tvungen Voldgift: Arbejdsstridigheder: New Zealand og Australien.* Nat. ök. Tids., nos. 3 and 4, 1923. Pp. 15. An account of the operation of compulsory arbitration in New Zealand and Australia.
- HOTCHKISS, W. E. *Industrial relations management.* Harvard Bus. Rev., July, 1923. Pp. 13. The foundations of sound policy.
- HUGGINS, W. L. *The Kansas Industrial Court act as affected by the Wolf Packing Company case.* Law and Labor, Sept., 1923. Pp. 5. Author was formerly presiding justice of the court. Finds that decision of Supreme Court in Wolf case does not overthrow the act in vital particulars.
- KRAUSE, L. *Trade union movement in Eastern Europe.* Am. Federationist, July, 1923. Pp. 5.
- LEWISOHN, S. A. *The living wage and the national income.* Pol. Sci. Quart., June, 1923. Pp. 8. Emphasizes that national income sets limit at any particular time to the comfort factor in "living" wage and that higher money wages may lead to increased productivity.
- LESCHIER, D. D. I, *Hands and tools of the wheat harvest.* II, *Harvesters and hoboes in the wheat fields.* Survey Graphic, July, Aug., 1923. Pp. 9; 8.
- LOVETT, R. M. *The Farmer Labor fiasco at Chicago.* New Repub., July 18, 1923. Pp. 3.
- NESTLER-TRICOCHE, G. *La journée de huit heures aux Etats-Unis.* Rev. d'Econ. Pol., May-June, 1923. Pp. 9.
- OERSTED, H. C. *Employers' organizations in the northern countries.* Intern. Lab. Rev., Sept., 1923. Pp. 13.
- FIGOU, A. C. *Prices and wages from 1896-1914.* Econ. Jour., June, 1923. Pp. 9. Set-back to real wages in Great Britain was due only in small part, and that indirect, to influx of new gold and resulting price increase, but largely to absorption of capital in war and expansion in number of adult wage-earners.
- POR, O. *The guild movement in Italy.* Intern. Lab. Rev., May, 1923. Pp. 26.
- POTOFKY, J. S. *A close-up on union management.* Am. Labor Mo., May, 1923. Pp. 11. A national officer of the Amalgamated Clothing Workers writes of the administrative system of that union.
- REINHARD, E. *The Swiss workers' education movement.* Intern. Lab. Rev., June, 1923. Pp. 7. Author is secretary of the Swiss Workers' Education Committee.
- ROWNTREE, B. S. *Some necessary steps toward a solution of the unemployment problem.* Pol. Sci. Quart., June, 1923. Pp. 30. Considers various means of regularizing employment; for maintenance of the unemployed, advocates compulsory insurance with contributions from employers, employees, and the state, and with graduated percentages of the normal wage as benefits.
- RYAN, J. A. *Progress of the living wage.* Catholic Charities Rev., Sept., 1923. Pp. 3. A review of progress since 1912.
- SAPOSS, D. J. *Labor banks and labor movement.* Am. Labor Mo., June, 1923. Pp. 4.
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- SELLS, D. M. *The economic effects of the British trade boards system.* Intern. Lab. Rev., Aug., 1923. Pp. 80. Findings are generally favorable.
- SOULE, G. *The Coal Commission reports.* New Repub., July 25, 1923. Pp. 2.
- STEWART, B. M. *Managing the unions' unemployed.* Am. Lab. Mo., July, 1923. Pp. 7. The system of unemployment administration followed by the Amalgamated Clothing Workers in Chicago.
- TAWNEY, R. H. *British labor looks ahead.* New Repub., Aug. 22, 1923. Pp. 3. Thoughts on the position and tendencies of the Labor party induced by the recent annual conference of the party.
- TAYLOR, J. B. and ZUNG, W. T. *Labour and industry in China.* Intern. Lab. Rev., July, 1923. Pp. 20.
- TURNER, V. B. *Agricultural wage-earners in France.* Mo. Labor Rev., July, 1923. Pp. 13.
- TYSON, F. *Why Mr. Gompers is afraid.* New Repub., Sept. 5, 1923. Pp. 3. Reasons why Mr. Gompers is opposed to "progressive" movements in field of labor.
- WEBB, S. *The Labour party and the Conference.* Empire Rev., Oct., 1923. Pp. 10. Discusses the state of organization of the labor parties in the several countries of the British Empire and what these parties have in common.
- WEISS, D. *An example of arbitration in the San Francisco newspaper publishing industry.* Mo. Labor Rev., Aug., 1923. Pp. 9.
- . *History of arbitration in American newspaper publishing industry.* Mo. Labor Rev., July, 1923. Pp. 19.
- Arbets- och löneförhållanden vid Svenska tobaksmonopolet år 1922.* Soc. Med., no. 5, 1923. Pp. 4. A report on the labor and wage conditions in the Swedish tobacco monopoly enterprise during the year 1922.
- Decisions of the Railroad Labor Board—the Pennsylvania Railroad cases.* Mo. Labor Rev., Aug., 1923. Pp. 8.
- Den nya arbetstidslagen.* Soc. Med., no. 6, 1923. Pp. 8. Discusses the new eight-hour day law which will go into effect in Sweden January 1, 1924, and gives this law in full.
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- Statens förlikningsmännens verksamhet år 1922.* Soc. Med., no. 6, 1923. Pp. 2. Summarizes the activities of the Swedish government in conciliating labor disputes during the year 1922.
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Money, Prices, Credit, and Banking

(Abstracts by William O. Weyforth)

- AMONN, A. L. *Walras, Theorie des Geldes.* Replik. Archiv f. Socialwis. u. Sozialpol., Band 51, Heft 1, 1923.
- ANDERSON, B. M., JR. *Reserve policy and excess gold.* Jour. Am. Bankers Assoc., Aug., 1923. Federal reserve banks should be making every effort to prevent an expansion of bank credit in this country growing out of our abnormal gold hold-

- ings. The discount rate at the federal reserve banks on each type of paper should be higher than the market rate on similar paper.
- BELLERY, J. R. *The controlling factor in trade cycles*. Econ. Jour., Sept., 1923. Control of trade cycles may be effected by regulation of the amount of currency and credit through the movements of the bank rate of interest. International action is desirable. This method may be supplemented by the Fisher scheme of alterations in the gold content of the monetary unit.
- BERNIS, F. *A new constitution for the Spanish national banks*. Econ. Jour., June, 1923. Describes provisions of the law of December, 1921.
- BOLZONI, C. *Le casse rurali italiane*. Riv. Internaz., June, 1923. Pp. 10.
- BONAR, J. *Ricardo's ingot plan (a centenary tribute)*. Econ. Jour., Sept., 1923. A tribute to Ricardo upon the centenary anniversary of his death. Writer sets forth Ricardo's plan, developed during the suspension of specie payments in England between 1797 and 1821, for the redemption of the Bank of England notes in bullion rather than in coin. Writer thinks that this plan may be of some use in winding up the present Treasury notes in England.
- BRADFORD, E. A. *Continental currency experience*. Annalist, Aug. 13, 1923. Writer describes his personal experiences in making purchases while traveling through Germany.
- BREED, D. L. *The passing of the German paper mark*. Econ. World, Sept. 22, 1923. Reprinted from Commerce Reports, Sept. 3. Prices and contracts in Germany are now being reckoned on a gold basis although actual payments may be made in paper marks. Some loans are being made on a commodity basis, for example, rye and coal.
- CHANDLER, H. A. E. *The problem of our excess gold*. Commerce Mo., June, 1923. Advocates setting aside, as a special fund, the gold in this country in excess of its normal proportion of the world's supply. Whenever the outflow of gold for foreign exchange purposes reaches abnormal proportions this special fund can be drawn upon.
- CHLEPNER, B. S. *L'évolution du régime bancaire en Belgique*. Rev. de l'Inst. de Sociol., May, July, 1923. Describes the crisis of 1838-1839 and the consequences of the suspension of specie payments by the Bank of England.
- DA RE, A. *La moneta internazionale*. L'Economista, April, 1923. Pp. 5.
- DAVIDSON, D. *Striden om Sveriges myntfot*. Ek. Tids., no. 4, 1923. Pp. 13. Contribution to the dispute concerning the Swedish post-war monetary basis.
- ESTCOURT, R. *Will currency become international?* Annalist, Sept. 17, 1923.
- FANNO, M. *Inflazione monetaria e corso dei cambi*. Giorn. d. Econ., May, 1923. Pp. 28.
- GANGEMI, L. *Sul credito agrario di Stato*. Rev. Internaz., April, 1923. Pp. 20.
- GARRETT, G. *Dangers of inflation*. The Annals, July, 1923. Inflation such as has taken place in Germany destroys the middle class, leaving thereafter three classes—the dynast, such as Stinnes, at the top, the laborer whom he houses, clothes and commands, and the agriculturalist who feeds them both.
- GEFHART, W. F. *Inflation in relation to the bank reserve and the business cycle*. Econ. World, June 30, 1923. The limits of credit extension must be under the control of the central bank if it is really to be the custodian of the ultimate banking reserves of the country. The central bank can make a distinct contribution by preventing, through fluctuations in the discount rate, the volume of credit from exceeding sound proportions.
- HAHN, A. *Depositenbanken und Spekulationsbanken*. Archiv f. Socialwis. u. Sozialpol., Band 51, Heft 1, 1923. A review of the third edition of Adolf Weber's

book with the above title. Such radical changes have taken place in German banking that a revision of the older editions by means of appendices does not properly explain the present problems of German banking.

HARRINGTON, J. W. *Labor banks and capitalism*. Bankers Mag., Sept., 1923. Conclusion of the whole matter of the formation of labor banks and their contacts with capitalistic banks may be that both labor and capital will each recognize that the other is worthy of its hire.

HART, H. *Gilbart lectures, 1923*. Jour. Inst. Bankers, May, June, 1923. Lectures cover the law of various aspects of banking.

HARVEY, E. *Buying the world's bills: the London discount market and its operations*. Econ. World, Aug. 11, 1923. Advocates keeping the different departments of banking under the control of separate firms and companies. In this way the duties of the issuing house, the accepting house, the deposit banker, and the discount house are carried out in the most successful cooperation.

HAZLEWOOD, C. B. *Federal reserve system tendencies*. Jour. Am. Bankers Assoc., July, 1923. Federal reserve system has in the main accomplished the purposes for which it was established. In the control of credit the system has not functioned as scientifically as it should. Dangers of politics in the system are pointed out.

HOPE, G. A. *Interest on reserve balances*. Jour. Am. Bankers Assoc., Sept., 1923. The free services rendered by the federal reserve system are believed by many to bring greater returns to member banks than the two per cent previously paid on balances. Writer thinks that interest payments by federal reserve banks would tend to bring them into competition with commercial banks.

JAY, P. *The relation of gold imports and exports to the volume of credit*. Econ. World, June 16, 1923. Federal reserve system serves as elastic link in chain of circumstances connecting gold imports and exports with the volume of credit. It relieves to some extent the excessive strains that movements of gold formerly created.

KERSCHAAGL, R. L. *Walras, Theorie des Geldes. Eine Entgegnung*. Archiv f. Sozialwis. u. Sozialpol., Band 51, Heft 1, 1923.

LANDAUER, K. *Grenzen und Gefahren der Goldmarkrechnung*. Archiv. f. Sozialwis. u. Sozialpol., Band 51, Heft 1, 1923. Discusses the reasons for the continuation of credit operations in paper marks and the limitations upon reckoning in gold marks.

LANDINI, A. *Le banche popolari cooperative e la riforma del codice di commercio*. Rif. Soc., July-Aug., 1923. Pp. 11.

LAUGHLIN, J. L. *Are prices coming down?* Am. Rev. Rev., Aug., 1923. By analyzing prospective changes in costs of production, writer comes to conclusion that there is no prospect of a fall in prices in the near future.

LEWINSKI, ST. J. *Deflation, devaluation and stabilization as methods for rehabilitating depreciated currencies*. Econ. World, June 2, 1923. Discusses historical precedents and lessons concerning the three methods of currency reform mentioned in the title.

LORIA, A. *"Marshall" sulla circolazione*. Rif. Soc., May-June, 1923. Pp. 7. A review of *Money, Credit, and Commerce*.

MAGEE, J. D. *Historical analogy of the fight against par check collection*. Jour. Pol. Econ., June, 1923. Decisions of the court are quoted in cases which arose out of the activities of the Suffolk Bank of Boston in collecting bank notes at the counters of country banks.

MICHEL, R. *Di alcune critiche mosse all' impiego dell' oro come base della circolazione e di alcuni progetti per la sua sostituzione*. Rif. Soc., July-Aug., 1923. Pp. 13. A consideration of the views of Cassel, Gide, Knapp, Bendixen, Gesell, and Solvay regarding the utility of gold as a basis of circulation.

- Considerazioni sulla posizione dell' oro nella circolazione odierna. Giorn. d. Econ., Sept., 1923. Pp. 13.
- MONTARA, G. *Prospettive monetarie*. Riv. Bancaria, May, 1923. Pp. 14. Tendencies in Italian monetary conditions and policy.
- MURCHISON, C. T. *Par clearance of checks*. No. Carolina Law Rev., Jan., 1923. Discusses the economic and legal aspects of the par clearance controversy. Writer believes that eventual establishment of par clearance is inevitable.
- MÜLLER, K. *Privatbanklorgivningen i de skandinaviske Lande*. Nat. Øk. Tids., nos. 3 and 4, 1923. Pp. 11. A survey of private bank legislation in the Scandinavian countries of special importance because of recent banking difficulties.
- PARSONS, M. *The mark at the vanishing point*. Annalist, Sept. 17, 1923. Practically all internal transactions in Germany are now calculated on a gold basis and the paper mark is becoming worthless even as a circulating medium.
- PATON, T. B. *Par clearance decisions*. Jour. Am. Bankers Assoc., July, 1923. Gives opinions of the United States Supreme Court in the North Carolina Statute case and in the Atlanta Bank case in regard to par clearance.
- PATTERSON, E. M. *Why the mark sank*. New Repub., July 4, 1923. Attributes decline of mark to sale abroad to meet reparation and other payments.
- PRATO, G. *Il regime delle banche di emissione in una polemica di settant' anni fa*. Riv. Bancaria, June, 1923. Pp. 8. Cavour and Francesco Ferrara as opponents in an argument about banking policy.
- ROBINSON, L. R. *British banking: foreign policies of the "big five" banks*. Supplement to Commerce Reports, July 2, 1923. Pp. 11. The interest of the "big five" banks in foreign business is largely a development since 1905. It is estimated that at the present time these banks are responsible for at least 30 per cent of the acceptances in London.
- Changes in the monetary use of silver since 1914. Supplement to Commerce Reports, Aug. 27, 1923. Pp. 66. Since 1914 the use of silver for reserve purposes has considerably declined in most countries. As a circulating medium silver has been displaced in many countries by paper or base metal substitutes although China and India, where silver circulation has increased, are important exceptions. There is no ground for belief that silver will soon regain its pre-war relative importance in reserves, in coinage, or in circulation.
- Foreign credit facilities in the United Kingdom. Supplement to Commerce Reports, May 21, 1923. Describes the foreign credit facilities in the United Kingdom as they existed before the war and the special post-war developments. Deals also with the centralizing tendencies in British banking.
- SANDERS, F. K., JR. *Operating expenses in banks and trust companies*. Harvard Bus. Rev., July, 1923. Summarizes the results of a "statistical investigation of operating expenses of banks and trust companies made by the federal reserve agent of the Federal Reserve Bank of Boston for member banks and trust companies in New England.
- SARGENT, H. E. *The new federal reserve regulations*. Jour. Am. Bankers Assoc., Sept., 1923. Describes the new regulations of the Federal Reserve Board, series of 1923. The new rules adopted to make effective provisions of the Agricultural Credits act, passed by the last Congress, from the bulk of the specific changes in the regulations.
- SHEAR, T. L. *The gold of Croesus*. Bankers Mag., June, 1923. Describes the coinage system of Lydia under Croesus. Gold standard was adopted by Croesus about 560 B.C. for purpose of facilitating international trade.
- STUART, V. *Metallic and non-metallic standards of money*. Econ. Jour., June, 1923. Supports the view that a non-metallic monetary system is better fitted

than any metallic system to guarantee that stability in the unit money which it is the aim of every sound system to achieve.

T'ANG, L. L. *The problem of Chinese currency.* *Economica*, June, 1923. Proposals for a gold exchange standard for China are described and criticized. The silver dollar (yuan) provided for by the National Coinage act of 1914 is gaining headway. It may be expected, however, that this measure is only a preliminary to the introduction of the gold basis in China.

TIPPETTS, C. S. *State bank withdrawals from the federal reserve system.* *Am. Econ. Rev.*, Sept., 1923. Pp. 10.

VALGREN, V. N. *The Agricultural Credits act of 1923.* *Am. Econ. Rev.*, Sept., 1923. Pp. 19.

WILLIS, H. P. *How rediscount rates are made.* *Jour. Am. Bankers Assoc.*, June, 1923. Federal reserve system has many theories of rates, largely in conflict with one another. They have represented only tendencies or ideas, considerations of expediency coming in to determine whether one factor or another shall be given an important influence.

———. *Money rates at home and abroad.* *Jour. Am. Bankers Assoc.*, July, 1923. Endeavors to account for differences in money rates in United States and in England. Difficulties in transfer of capital are pointed out. Depression in business in England at present time helps explain lower rates there.

The balance of international payments of the United States in 1922. Supplement to Commerce Reports, Sept. 14, 1923. A careful statistical estimate of the balance of international payments of the United States in 1922 with summaries of estimates for the three preceding years. The net debit balance for 1922, including both visible and invisible items is placed at \$586,000,000.

Chronique de l'inflation. *Jour. des Econ.*, May, 1923. A review by A. S. Noyes of the volume of M. Yves-Guyot, *Les Problèmes de la Déflation*. The proposals of Cassel and Keynes for a devaluation of currencies are attacked. M. Yves-Guyot declares that this policy would be equivalent to a declaration of bankruptcy.

The collapse of the mark as seen in Germany. *Econ. World*, June, 1923. Failure of Cuno government to stabilize the mark was due to continued inflation. Writer discusses decisions of German courts denying right of debtors to pay off old debt in depreciated marks without any allowance for the amount of depreciation.

Currency and world prices. *Bankers' Mag.* (London), July, 1923. Suggests foreign investments for the United States as a means of minimizing the danger of undue inflation in this country resulting from the large influx of gold.

The dollar and the depreciated currencies of Europe. *Econ. World*, Sept. 15, 1923. Reprinted from *Federal Reserve Bulletin*, Sept., 1923. In the international movement of goods and of funds the trend has been toward the establishment of a common unit of measure, and this unit has largely been the dollar as the only currency that is now firmly on a parity with gold.

The federal reserve banks and the country's present credit and currency requirements. *Econ. World*, May 12, 1923. From *Federal Reserve Bulletin*, May, 1923. As the limits of the country's available supplies of labor and equipment are approached, credit policy must be increasingly influenced by careful consideration of the continued effectiveness of further additions to the total volume of credit in contributing to increased productivity.

Holdings of securities by national banks. *Commerce Mo.*, Sept., 1923. Shows growth of security holdings of national banks from 1892. The high level of national bank investments in government securities as disclosed in the figures of April 3, 1923, does not seem likely to be maintained.

The progress of banking in Great Britain and Ireland during 1922. *Bankers' Mag.*

(London), June, July, Sept., 1923. Gives statistics of banking developments in England from 1905 to 1922. There was practically no further progress in amalgamation of banks during 1922. Tables showing profits and dividends of English, Scottish, and Irish banks in 1922.

Recent developments in connection with agricultural credit in Great Britain. Econ. World, June 2, 1923. Surveys the agricultural situation in England and the government's agricultural policy during and since the war. Summarizes the recommendations of the Agricultural Credit Committee.

Recent developments in Japanese banking. Federal Reserve Bull., July, 1923. Describes the banking structure in Japan and the developments from 1914 to 1922. Explains also the gold and currency situation during this period.

Silver and the Pittman act. Commerce Mo., July, 1923. Traces the course of the silver market before and since the passage of the Pittman act on April 23, 1918.

Public Finance

(Abstracts by Charles P. Huse)

ANDERSON, W. *Shall the government tax municipal bonds?* Minn. Municipalities, April, 1923.

ARENA, C. *Il disavanzo delle poste e dei servizi elettrici di corrispondenza.* Riv. di Pol. Econ., July-Aug., 1923. Pp. 12. Causes of the current deficits in the Italian postal and telegraphic services.

BARRIOL, A. and BROCHU, I. *Deuxième emprunt 1923 du crédit national.* Jour. des Econ., July, 1923. Pp. 7. Calculates the value of the lottery provisions of the new French loan.

BENNETT, E. L. *Ohio's tax vicissitudes not yet ended.* Nat. Munic. Rev., July, 1923. Pp. 3. The Taft act raises the tax limits imposed by the Smith law.

BONNET, H. *Les dépenses de prestige et les finances publiques.* Réf. Soc., May-June, 1923. Pp. 8. France would enjoy greater prosperity if the number of civil servants were greatly reduced.

CHAPPELL, F. C. *How taxation is crushing British industry.* Annalist, June 18, 1923. Pp. 3. Believes that the resulting high costs place the English manufacturer at a disadvantage in foreign trade.

COMSTOCK, A. *British budget undercurrents.* Annalist, Aug. 20, 1923. Pp. 2. A decrease of almost ten per cent in the appropriations for 1923-4 has made possible substantial reduction in the income tax, the corporation profits tax and the beer tax.

———. *France's fiscal dilemmas.* Annalist, July 30, 1923. Pp. 2. Firm against heavier taxation, France still looks to the reparation payments to cover her deficits.

D'ALVIE, E. *Un po' di luce negli avanzi e disavanzi di bilancio nell' Amministrazione dello Stato.* Riv. Bancaria, May, 1923. Pp. 19.

DE FRANCISCI GERBINO, G. *Sulle applicazioni finanziarie di una proposta di riforma del diritto successorio.* Giorn. d. Econ., Aug., 1923. Pp. 12.

EINAUDI, L. *Di una proposta surrogatoria alla imposta di successione.* Riv. Bancaria, April, 1923. Pp. 14.

GARINO-CANINA, A. *Le "industrie chiavi" e l'elisione dell' onere della protezione nelle produzioni derivate.* Rif. Soc., July-Aug., 1923. Pp. 14.

GARNETT, P. F. *The effect of indirect taxation in making insurance rate high.* Econ. World, Aug. 25, 1923. Deplores not only the high taxation but also the excessive regulation of insurance companies.

- GIBSON, A. H. *Investment values and conversions*. Bankers' Mag. (London), June, 1923. Pp. 18. Traces the price of consols and gives conversion schemes for the last century and a half. Predicts higher prices for consols in the future.
- GOTTLIEB, L. R. *Taxation and war strains*. Annalist, Aug. 27, 1923. Pp. 3. A statistical study of eight leading nations shows that the United States, Great Britain and Japan are the only ones that have secured an equilibrium in their budgets.
- HAGG, R. M. *Tax-exempt securities versus progressive income tax*. Bull. Nat. Tax Assoc., May, 1923. Pp. 6. Because of the limited market for these bonds among the very rich, the government does not recover from a lower interest rate what it loses in taxation.
- HOFFMAN, F. L. *Views on questions of reparations and war debt settlements; the need for a fact-finding commission*. The Annals, July, 1923. Pp. 14. Believes that Germany's ability to pay should be investigated by a commission upon which America should be represented.
- HUDDERS, E. R. *Income tax records and their care*. Administration, June, 1923. Pp. 6. Taxpayers should carefully preserve all evidence supporting their returns.
- JÈZE, C. *Les emprunts à lots*. Rev. de Sci. et de Légis. Finan., April-May-June, 1923. Pp. 61. Given up on moral grounds in Anglo-Saxon countries, the lottery loan has recently been revived in France and has never lost its hold in Austria and Italy.
- KEYNES, J. M. *The German loan delusion*. New Repub., June 13, 1923. Pp. 3. Shows the impossibility of raising the large international loan desired by Germany.
- KUCZYNSKI, R. R. *Reconstruction of the German finances*. Jour. Pol. Econ., Aug., 1923. Pp. 8. Gives the draft of a bill providing for a tax of fifty per cent on property.
- LACHAPELLE, G. *La situation budgétaire*. Rev. d'Econ. Pol., March-April, 1923. Pp. 11. Urges a policy of retrenchment.
- MANN, F. K. *Die Grundformen der Steuerabwehr*. Jahrb. f. Nationalök u. Stat., June, 1923. Pp. 27. Discusses the capitalization and shifting of taxes.
- MANSCHKE, R. *La politica doganale degli Stati Uniti (con riguardo alle ultime tariffe)*. Riv. Internaz., Aug., 1923. Pp. 17.
- MORMAN, J. B. *Will there be any relief from high taxes*. Mag. of Wall St., Sept. 15, 1923. Pp. 3. Does not find the outlook encouraging.
- NARAIN, B. *India adopts the protective policy*. Protectionist, Aug., 1923. Pp. 8. Reprinted from *Weltwirtschaftliche Archiv*. Now has a general rate of 15 per cent, with rates of 30 per cent on luxuries.
- PHILIPSEN, G. *Skat og Kommune*. Nat. ök Tids., nos. 3 and 4, 1923. Pp. 21. Discusses the relation of the commune to the state, first in general and secondly as to financial administration.
- RIGHTOR, C. E. *Commentary upon the comparative bonded debt of thirty-six cities as of January 1, 1923*. Nat. Munic. Rev., May, 1923. Pp. 4.
- RIST, C. *Les réparations*. Rev. d'Econ. Pol., March-April, 1923. Pp. 22. Outlines recent developments.
- SEIDMAN, M. L. *Subtleties of "tax exempts."* Annalist, July 30, 1923. Pp. 2. From the point of view of the taxpayer, tax-exempt bonds bought at a premium are better than the same class of bonds purchased at a discount.
- SHAW, J. R. *Canadian manufacturers demand a higher tariff*. Protectionist, Aug., 1923. Pp. 6. Favors higher rates partly as a means for bargaining and also for protection.

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- VERGÉOT, J. *Les émissions*. Rev. d'Econ. Pol., March-April, 1923. Pp. 8. A study of the securities, both public and private, absorbed by French investors during recent years.
- VIALLE, A. *Les dettes des Alliés envers les Etats-Unis et l'opinion américaine*. Econ. Franç., July 14, 1923. Pp. 4. Believes the American attitude toward the debt stands in the way of European readjustment.
- VINER, J. *Taxation and changes in price levels*. Jour. Pol. Econ., Aug., 1923. Pp. 27. Considers the effect upon taxpayer and public treasury of variations in the value of money in the case of a number of taxes.
- WILLIAMS, W. M. J. *Le budget britannique 1923-1924*. Jour. des Econ., May, 1923. Pp. 17. Commends the budget which reduces both expenditures and taxes.
- YVES-GUYOT. *Le budget de 1923 au Sénat et son équilibre*. Jour. des Econ., July, 1923. Pp. 26. Outlines the budget and gives the legislative discussions.
- . *Rôle politique de l'impôt sur le revenu*. Jour. des Econ., June, 1923. Pp. 12. Because of great dissatisfaction with the administration of the new income tax, the question is assuming political importance.
- City tax rate bulletin for 1922: a compilation of the city, school and county tax rates effective for 542 cities in Kansas, together with their population, assessed valuation and bonded indebtedness*. League of Kansas Municipalities, April 1, 1923.
- The fallacy of ad valorem wool duties*. Bull. Nat. Assoc. Wool Mnfrs. April, 1923. Pp. 10. Shows why a specific duty is preferable.
- The future of reparations and interallied debts*. Round Table, March, 1923. Pp. 16. Demands that more emphasis be laid on international peace and good-will and less on the collecting of debts.
- Per la riduzione delle tariffe doganale*. Comitato del gruppo liberoscambista italiano. Rif. Soc., May-June, 1923. Pp. 9. Manufacturers are joined with professors in this petition to Parliament asking for tariff reduction.
- The tariff views of a professor of economics*. Bull. Nat. Assoc. Wool Mnfrs., July, 1923. Pp. 19. Takes issue with statements made by Professor Laughlin in the *North American Review* for February.

Population

(Abstracts by A. B. Wolfe.)

- ARIAS, G. *La théorie de la population avant Malthus*. Rev. d'Hist. Econ. et Soc., nos. 3-4, 1922.
- DALTON, H. and GINSBERG, M. *A new contribution to the population problem*. Economica, June, 1923. Pp. 10. A review of Carr-Saunders' *The Population Problem*.
- DAVIS, J. J. *Bootleg immigrants*. Am. Rev. Rev., June, 1923. Pp. 3. Sketch of an alleged organized traffic in smuggling Orientals and other aliens into the country. Explains the difficulties of deportation and advocates registration of aliens.
- DESCAMPS, P. *La natalité et la mortalité chez les demi-sauvages*. Rev. de l'Inst. de Sociol., May, 1923. Pp. 23. Considers the influences, voluntary and otherwise, which keep down the birth-rate and shorten the lives of women among certain semi-savage peoples. Among the non-voluntary factors are types of food and excessive work by the women.
- FEUGÈRE, E. *Les primes à la natalité dans le département de la Seine*. L'Econ. Franç., June 16, 1923. Pp. 2. Outlines results obtained, in the department of the Seine, from the granting of subventions for the birth of children.

- FORSTYTH, C. H. *Changes in the longevity of Americans in the last decade.* Science, March 23, 1923.
- DE JASTRZEBSKI, T. T. S. *Changes in the birth-rate and in legitimate fertility in London, 1911-1921.* Jour. Royal Stat. Soc., Jan., 1923. A statistical inquiry into changes in effective fertility in London boroughs. Accompanied by six pages of tables and thirteen pages of discussion.
- JOHNSON, A. *Immigration, a legislative point of view.* Nation's Bus., July, 1923. Pp. 3. Outline of the main provisions of the immigration bill to be presented to the next session of Congress, by the chairman of the House Committee on Immigration.
- KLINE, B. *Shall the immigration bars be lowered?* Am. Rev. Rev., June, 1923. Pp. 3. Takes up "some real causes of labor shortage." Argues against letting down the bars.
- MEARS, E. G. *Financial aspects of American immigration.* Econ. Jour., Sept., 1923. Pp. 11. Interesting suggestions on a neglected phase of the immigration problem.
- MÜLLER, J. *Die Aussichten unserer künftigen Bevölkerungsentwicklung.* Jahrb. f. Nationalök. u. Stat., April, 1923. Pp. 8. Statistics down to and including 1921 show that Germany has recovered neither her pre-war birth-rate nor her pre-war rate of natural increase. Data relate to Bavaria, Wurtemberg, Saxony, Baden and Thuringia.
- NOYES, C. R. *The weather chart of population.* Yale Rev., July, 1923. Pp. 13. High population pressure both in Europe and in Asia and especially in Japan will mean future war for the United States unless the liberal elements in both countries can get together to further a rational population policy.
- ROMER, E. *The population of Poland according to the census of 1921.* Geog. Rev., July, 1923. Pp. 15. A study of population by administrative districts, with special attention to increase and decrease of the Polish population. Incidental revelation of the untrustworthiness of previous population estimates.
- ROODSCHILD, M. H. *Overbevolkning en landverhuizing.* De Econ. (Dutch), April, 1923. Pp. 32. Discusses Dutch overpopulation, unemployment and emigration, particularly the possibilities of emigration to France.
- THOMPSON, W. S. *Standards of living as they affect the growth of competing population groups.* Sci. Mo., July, 1923. Holds that in competition between classes with different standards of living something analogous to Gresham's law may be observed to be operative.
- WELLIVER, J. C. *World migrations and American immigration.* Am. Rev. Rev., Aug., 1923. Pp. 7. A popular article on a broad subject.
- WILLCOX, W. F. *Population and the World War.* Jour. Am. Stat. Assoc., June, 1923. Pp. 14. An estimate, on the basis of the (incomplete and problematical) data available, of the losses of population directly and indirectly due to the war. Conclusion that the population of Europe has been rapidly decreasing since 1917. Rejection of Pearl's theory of a law of population growth. There is no simple law which can furnish a basis for predicting future population growth.
- WOODBURY, R. M. *Decline in infant mortality in the U. S. birth-registration area, 1915 to 1921.* Am. Jour. of Public Health, May, 1923. Pp. 7. A careful presentation, for the expanding birth-registration area, by cause of death, urban and rural population, and age groups under one year.
- How immigration is shifting.* Indus. Digest, Sept., 1923. Pp. 3. Countries of north and west Europe more nearly filled their quotas in 1922-23 than in 1921-22.
- Mexico som indvandringsland.* Soc. Med., no. 3, 1923. Pp. 5. Discusses immigration opportunities in Mexico from point of view of population and of land laws—not favorable.

Le mouvement de la population de la France en 1922, d'après les registres de l'état civil. L'Econ. Franç., May 26, 1923. Pp. 3. Continuation of a detailed outline begun in *L'Economiste Française* for May 12, 1923.

Insurance and Pensions

(Abstracts by Henry J. Harris)

- AUBIN, F. *Das Reichsknappschaftsgesetz.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 8. Terms of the federal law of June 23, 1923, regulating the mining associations. The greater part of the law relates to miners' mutual insurance associations, covering the field of sickness, old-age, invalidity and salaried employees.
- EISENBERG, V. *Versicherungssumme und Prozesskosten bei der Haftpflichtversicherung unter Berücksichtigung der Geldentwertung.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 8.
- GILLESPIE, R. S. *The historical development of fire insurance rate making.* Econ. World, July 14, 1923. Pp. 2. The history of rate-making, from Assyria to facts about the Canadian towns of the present.
- GÜNTHER, E. *Die Anpassung der Sozialversicherung an die Geldentwertung und Lohnsteigerung.* Jahrb. f. Nationalök. u. Stat., July, 1923. Pp. 54. In a country with a rapidly depreciating currency, the dues of the insured should be adjusted by a special commission at least once a month.
- HARVEY, P. N. *The scheme of national health insurance considered in relation to the valuations of approved societies as at 31 December, 1918.* Jour. Inst. Actuaries, July, 1923. Pp. 39. Summary and comment on the report of the valuation.
- HENNE, H. *Bruchteilversicherung und Versicherung auf erstes Risiko in der Feuerversicherung.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 9. Advantages of the plan.
- HOBBS, C. W. *The functions of the national council on compensation insurance.* Econ. World, Sept. 22, 1923. Pp. 4. Description of conditions found by the council and its efforts to cooperate in rate making.
- HOFFMAN, F. L. *The mortality experience of American industrial policy-holders, 1916-1920.* Econ. World, Sept. 22, 1923. Pp. 3. Reprinted from *The Spectator*, Sept. 13. Review and comment on the work bearing this title, edited by Louis I. Dublin.
- HUBNER, S. S. *Export packing in relation to marine insurance.* Econ. World, Aug. 11, 1923. Pp. 2. Ignorance or indifference with respect to proper packing costs marine insurance firms over \$20,000,000 annually. Rates should be adjusted to individual.
- MCCORMACK, P. H. *Damaged lives and options (with discussion).* Jour. Inst. Actuaries, July, 1923. Pp. 27. Development of formulas for various types and options.
- MOLONY, J. R. *Automobile liability insurance from the standpoint of the automobile owner.* Econ. World, July 21, 1923. Pp. 4. The policy is nothing less than a power-of-attorney authorization.
- MOORE, R. F. *Fifty years' progress of life insurance in the South.* Econ. World, June 23, 1923. Pp. 2. By using southern companies the people of that section will have the capital invested in the South.
- RECKZEH, P. *Das Nachuntersuchungswesen bei den Krankenkassen.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 11. Methods used in sick funds in examining beneficiaries after the case has been cured or before sending to institution for residential treatment.
- RIDGSELL, P. *Entwicklung, gegenwärtige Lage und Zukunft der Baunotversiche-*

- rnung. Zeit. f. d. ges. Vers.-Wis., 1923. Pp. 6. Recommends use of index numbers of building costs in insuring against loss of buildings through fire.
- ITTER, C. *Von der Seeversicherung—Klausel "Frei von Beschädigung."* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 7. Legislation and decision.
- ROHRBECK, W. *Die Modernisierung der deutschen Privatversicherungs-Aufsichtsgesetzgebung.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 12. The new federal law of July 19, 1923, endeavors to preserve the existence of insurance company by reducing costs, changing the requirements as to investments, permitting modifications in the official supervision, etc.
- RYAN, H. E. *Workmen's compensation in the United States.* Econ. World, May 26, 1923. Pp. 4. General points covered by the laws, systems of administration, etc.
- STODDARD, F. R., JR. *The problem of securing uniformity in insurance rate making.* Econ. World, Sept., 1923. Pp. 3. Situation of New York state in the fire and compensation fields.
- TAUBER, A. *Ueber Risikowert und Sparwert einer Versicherung.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 5.
- THOMAS, E. C. *Gambling in connection with insurance.* Econ. World, Sept. 15, 1923. Pp. 3; 3. Warning against assuming war risks and purchasing foreign securities by the president of the Insurance Institute of the Cape of Good Hope.
- TUCKER, R. H. *Social aspects of workmen's compensation laws.* So. Atlantic Quart., April, 1923. Pp. 13. Traces the development from the liability doctrine to the present compensation system. Its present effects.
- VILLEY, E. *Réflexions sur le projet de loi relatif aux assurances sociales.* Rev. d'Econ. Pol., May-June, 1923. Pp. 9. Sums up objections to the plan of obligatory deductions from earnings.
- WÖRNER, G. *Sachleistung oder Geldleistung als Leistungsprinzip der Sozialversicherung.* Zeit. f. d. ges. Vers.-Wis., Oct., 1923. Pp. 10. Benefits paid in kind already exceed the value of the cash payments in sickness and accident insurance. The former should replace the cash benefits under the régime of depreciating currency.
- Proposed pension ordinance.* Baltimore Munic. Jour., July 13, 1923. Pp. 2. For the city of Baltimore.

Pauperism, Charities, and Relief Measures

(Abstracts by George B. Mangold)

- DRACHSLER, J. *A theory of the Jewish center.* Jewish Center, May, 1923. The writer regards the Jewish center as a home for the Jewish community. To it should come the children and the young people to become immersed in the heritage of the Jewish people. The center should also serve to interpret the best in American life and to prepare its patrons for participation in the development of American democracy.
- FEUGERE, E. *L'assistance publique à Paris en 1922-23.* L'Econ. Franç., June, 1923. Pp. 3. An analysis of the philanthropic budget of the city of Paris for the year 1922-23. Particular attention is given to the medical and health problems which the city is trying to meet.
- KENNEDY, W. B. *The Supreme Court and social legislation.* Catholic Charities Rev., June, 1923. Admits that the Supreme Court has been disappointing in its attitude towards social legislation. Opposes, however, the drastic measures for limiting the power of the Supreme Court that have been proposed by radicals. A plan for meeting the situation is to be presented in a later article.
- LEVINGER, RABBI L. J. *The Jewish center and the synagogue.* Jewish Center, May, 1923. The author says that in many communities the Jewish center and the

synagogue are actually in competition with each other. He briefly outlines the functions of each and shows how they can dovetail their work so as to supplement each other instead of remaining competitors.

ROSENTHAL, A. W. *Objectives in physical education for the Jewish center.* Jewish Center, May, 1923. The Jewish people need a program of physical education and the various Jewish centers should develop proper plans for the meeting of this need. A typical program is presented by the writer. It is suggested that a national program be developed. This would simplify the problem for the various Jewish centers.

Catholic child-caring standards. Catholic Charities Rev., June, 1923. These standards are presented under four main headings as follows: Foreword; Process of admission; Methods of care, organization and equipment; Discharge, placement, and after-care. The standards recommend the "small group system" of organization for the institutional care of children, and emphasize the individual care of the child.

Statistics

(Abstracts by Bruce D. Mudgett)

BACHI, R. *Per la riforma dell' opera statistica del Ministero delle Finanze e del Tesoro.* Giorn. d. Econ., July, 1923. Pp. 6.

BERRIEN, C. R. *Exaggerated dependence on statistical forecasting as the new superstition in American business.* Econ. World, Sept. 8, 1923. Pp. 2. Reprinted from *Central Union Topics*, Aug., 1923 (club publication of the Central Union Club, the members of which are employees of Central Union Trust Company of New York). A recognition of the pseudo-science that never gets beyond graphs.

BOLDRINI, M. and CROSARA, A. *Sull' azione selettiva della guerra fra gli studenti universitari italiani.* Metron, Jan., 1923. Pp. 14.

BOWLEY, A. L. *The precision of measurements estimated from samples.* Metron, Jan., 1923. Pp. 7.

COHN, E. *Statistik og Nationalökonomi.* Nat. ök. Tids., no. 2, 1923. Pp. 8. Presents the importance of statistics in economic studies, illustrating mainly from the field of value and price.

EDGEWORTH, F. Y. *Index-numbers according to Mr. Walsh.* Econ. Jour., Sept., 1923. Pp. 9. Professor Edgeworth's review of Mr. Walsh's latest book, *The Problem of Estimation*, in which he emphasizes particularly that they differ fundamentally about first principles.

FELD, W. *Die Uebersterblichkeit der unehelichen Säuglinge.* Zeits. f. Schweiz. Stat. u. Volks., Heft 2, 1923. Pp. 25.

FISHER, I. *Professor Young on index numbers.* Quart. Jour. Econ., Aug., 1923. Pp. 13. Professor Fisher's reply to Professor Young's review of *The Making of Index Numbers*. He says in conclusion, "It would seem that such discussions as Professor Young's, Professor Persons', Professor Bowley's, *The Statist's*, and the present article mark the approach of the end, to all intents and purposes, of the age-long controversy over index number formulae."

FISHER, I. and BOWLEY, A. L. *Professor Bowley on index-numbers.* Econ. Jour., June, 1923. Pp. 7. Professors Fisher and Bowley further discuss their differences with reference to the conclusions of *The Making of Index Numbers*, by the former.

FISHER, I. and BOWLEY, A. L. *Statistical tests of agreement between observation and hypothesis.* Economica, June, 1923. Pp. 9. Discussion of differences between Professors Fisher and Bowley on methods of calculating tests of goodness of fit of data to hypotheses.

HOKSTADT, C. *Reclassification of U. S. 1920 occupation classes by industry.* Mo. Labor Rev., July, 1923. Pp. 14. Tables showing reclassification of employees

- into industry groups formulated by International Association of Industrial Accident Boards and Commissions. Description of methods employed and difficulties encountered.
- LIENHARD, A. *Zur jüngsten Entwicklung der schweizerischen fabrikmäßigen Industrie.* Zeits. f. Schweiz. Stat. u. Volks., Heft 2, 1923. Pp. 8.
- MACDONALD, A. *A study of the United States Senate.* Metron, Jan., 1923. Pp. 19.
- NATHAN, O. *Ueber die Berechnung von Indexzahlen für die Lebenshaltungskosten (Literaturbericht).* Jahrb. f. Nationalök. u. Stat., June, 1923. Pp. 9.
- NYBÖLLE, H. C. *Aegtebørns og Uægtebørns Dødelighed.* Nat. Øk. Tids., no. 2, 1923. Pp. 38. A technical, statistical study of mortality rates of legitimate and illegitimate children, with tables, diagrams, and formulas.
- PERSONS, W. M. *Correlation of time series.* Jour. Am. Stat. Assoc., June, 1923. Pp. 14. A description of the methods used by the Harvard Committee on Economic Research for eliminating seasonal and secular variation in time series and for comparisons of cyclical variations in different series. The article is part of a forth-coming *Handbook on Mathematical Statistics* to be published by Houghton Mifflin.
- PFAU, E. F. *Die Indizierung des Geldwerts in Verträgen.* Zeit. f. Schweiz. Stat. u. Volks., Heft 2, 1923.
- DE PIETRI-TONELLI, A. *Le fonti internazionali della statistica commerciale: II, America.* Metron, Jan., 1923. Pp. 31.
- SCHENKER, O. *Ueber einige mit der Bevölkerungsstatistik zusammenhängende Begriffe.* Zeits. f. Schweiz. Stat. u. Volks., Heft 2, 1923. Pp. 12.
- SNYDER, C. *Fisher's "The Making of Index Numbers."* Am. Econ. Rev., Sept., 1923. Pp. 6. Mr. Snyder summarizes the conclusions of Professor Fisher with reference to selection of the formula for an index number and states his own conclusion that the number of commodities, choice of weights, and accuracy of data are of far greater importance.
- TSCHUPROW, A. A. *On the mathematical expectation of the moments of frequency distribution in the case of correlated observations.* Metron, Jan., 1923. Pp. 33.
- WATKINS, G. P. *The measurement of concomitance of variation.* Parts I and II. Jour. Am. Stat. Assoc., March, June, 1923. Pp. 11; 18. Author proposes a new method of measuring variability and correlation for time series. Method is based on assumption that relative change and not absolute change is important. Development of coefficients of variability and correlation proceeds through taking chain difference of logarithms of original quantities. The analysis is made without the aid of mathematics and author invites mathematicians and other qualified persons to criticize his thesis or to develop the mathematics of it.
- WINKLER, W. *Die Berechnung der Fanglichkeitprozente in der Heeresergänzungsstatistik.* Metron, Jan., 1923. Pp. 34. The calculation of percentages of efficiency in statistics of army recruiting.
- Bulletin de la statistique générale de la France et du service d'observation des prix.* April, 1923. Pp. 112. Includes, in addition to usual statistical summaries, a special study of reëducation of war cripples. July, 1923. In addition to usual statistical data, a special study of the resources and industrial and commercial development of the new Baltic states.
- La statistique suisse des causes de décès. Etudes de methods.* Zeits. f. Schweiz. Stat. u. Volks., Heft 2, 1923. Pp. 5. By the Bureau Fédéral de Statistique.
- Purchasing power of the dollar, 1913 to 1923, as computed by the U. S. Bureau of Labor Statistics.* Mo. Labor Rev., Sept., 1923. Pp. 8. Purchasing power of the 1913 dollar monthly from 1913 to June, 1923, for the various wholesale commodity groups which the Bureau combines for its wholesale price index, and for bituminous coal, coke and certain building materials.

DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

The United States Tariff Commission in its Tariff Information Series has issued No. 31: *Census of Dyes and Other Synthetic Organic Chemicals, 1922* (Washington, 1923, pp. 185).

The federal Department of Commerce has issued:
Miscellaneous Series,

No. 99, *Commercial and Industrial Organizations of the United States*, revised edition, March 1, 1923 (Washington, 1923, pp. 225).

No. 118, *Stave Trade in Foreign Countries*, (Lumber Division, 1923, pp. 99).

No. 120, *Directory of Exporters of American Lumber and Wood Products*, (Lumber Division, 1923, pp. 85).

Special Agents Series,

No. 219, *Cotton Goods in British South Africa*, by P. J. Stevenson (1923, pp. 71).

No. 221, *Automotive Markets in China, British Malaya, and Chosen*, by W. T. Irvine (1923, pp. 105).

Special Consular Reports,

No. 85, *Portuguese East Africa: Its Resources, Industries, and Trade*, by S. W. Honaker (1923, pp. 30).

Trade Information Bulletin,

No. 144, *The Balance of International Payments of the United States in 1922* (1923, pp. 25).

The United States Department of Agriculture has published the following:

Bull. No. 1119, *Lumber Cut of the United States, 1870-1920. Declining Production and High Prices as Related to Forest Exhaustion*, by R. V. Reynolds, and A. H. Pierson (Washington, 1923, pp. 62).

Miscellaneous Circular,

No. 11, *Agricultural Coöperation: A Selected and Annotated Reading List with special reference to Purchasing, Marketing, and Credit*, by C. Gardner (pp. 55).

As separates from *Yearbook 1922*,

No. 883, *The Year in Agriculture, Annual Report to the President*, by H. C. Wallace, Secretary of Agriculture (p. 82).

No. 886, *Timber: Mine or Crop?* (pp. 85-180).

Department Circular,

No. 228, *The Live-stock Industry in South America*, by L. B. Burk, and E. Z. Russell (pp. 35).

The following reports of the Fourteenth Census of the United States have been received from the Bureau of the Census:

"Manufactures: 1919"

Chemicals—Sulphuric, Nitric, and Mixed Acids, and Coal-tar Products, together with the Coke and Salt Industries (Washington, 1923, pp. 66).

Clay Products and Allied Industries (pp. 41).

Cordage and Twine, Jute Goods, and Linen Goods; Fur-Felt Hats; Dyeing and Finishing Textiles; Flax and Hemp, Dressed; Haircloth; and Mats and Matting (pp. 25).

Iron and Steel—Blast Furnaces, Ferroalloys, Steel Works and Rolling Mills, Tin Plate and Terneplate, Wire (pp. 58).

Knit Goods (pp. 28).

The Leather Industry (pp. 61).

Shipbuilding, including Boat Building (pp. 21).

Wool Manufactures and Wool Shoddy, Wool Pulling and Wool Scouring (pp. 28).

"Agriculture"

Farm Operators by Age, Number of Years on Farm, and Farm Experience (reprint of ch. VI, vol. V, 1923, pp. 349-476).

Farm Statistics by Race, Nativity, and Sex of Farmer (reprint of ch. V, vol. V, 1923, pp. 293-346).

Selected Farm Expenses, Coöperation, and Farm Facilities (reprint of ch. VIII, vol. V, 1923, pp. 503-514).

Summary of the Census of Agriculture for the United States, 1919 and 1920 (1922, pp. 76).

The Senate Committee on Manufactures has printed the letter from the chairman of the Federal Trade Commission on the *Furniture Industry*, a report of the prices and profits and competitive conditions in the furniture industry and trade (67 Cong., 4 Sess, 1923, pp. 484). This contains charts and in the appendix a large number of statistical tables. In the findings it is noted that furniture manufacturers, after the armistice, reduced their prices more in absolute amount than the decline in the prices of raw materials, relatively more than wages, and both relatively and absolutely more than they reduced their total cost. As to competitive action, the principal manufacturers' associations have restricted competition by means of resolutions tending to concerted price policies, by price comparison meetings, and by the adoption of minimum selling values (prices).

Senate Report No. 1263 (67 Cong., 4 Sess.) deals with *High Cost of Gasoline and Other Petroleum Products*. This is a report submitted by Senator La Follette of the Committee on Manufactures (pp. 70).

The Chamber of Commerce of the United States (Washington) has issued a memorandum on the *Anthracite Coal Situation as of September 1, 1923* (pp. 7).

The latest report of the Special Commission on the Necessaries of Life in Massachusetts, relative to the *Retail Marketing and Distribution of Meat Products, the Conditions affecting the Prices of such Products, and the Establishment and Maintenance of Public Slaughterhouses* has appeared as House Document No. 1130 (Boston, January, 1923, pp. 63).

The Department of Labor and Industries of Massachusetts has issued the *Annual Report on the Statistics of Manufactures, for the Year 1920* (pp. 170), as Public Document No. 36.

Corporations

The Interstate Commerce Commission has just printed the *Thirty-fifth Annual Report of the Statistics of Railways in the United States, for 1921*, together with abstracts of periodical reports for 1922 (Washington 1923, pp. 476).

A valuable document dealing with the question of railroad consolidation has appeared in the form of a report of the Joint New England Railroad Committee to the governors of the New England States. This document is entitled *Rehabilitation by Coöperation, a Railroad Policy for New England*. A supplementary volume contains 23 maps. Copies may be had upon application to the committee members of the respective states. The chairman for Massachusetts is James J. Storrow, 44 State St., Boston.

A pamphlet has been received entitled *The Ben Avon Case*, a series of decisions in the case of Ben Avon Borough et al v. Ohio Valley Water Company, including an opinion by the Supreme Court of the United States. This series of cases bears upon the question of the rights of investors in public utility enterprises. The pamphlet is printed for distribution by A. C. Hopson, 61 Broadway, New York (pp. 151).

The following public utility reports have been received:

Twenty-sixth Annual Report of the Railroad Commission of Florida, for the Year Ending February 28, 1923 (Tallahassee, pp. 320).

Report of the Public Utilities Commission of Ohio for 1922 (Columbus, 1923, pp. 342).

Labor

The Bureau of Labor Statistics of the United States Department of Labor has issued:

No. 315, *Retail Prices 1913 to December, 1921* (Washington, January, 1923, pp. 225).

No. 328, *Wages and Hours of Labor in the Hosiery and Underwear Industry 1922* (May, 1923, pp. 38).

No. 330, *Labor Legislation of 1922* (May, 1923, pp. 102).

No. 332, *Workmen's Compensation Legislation of the United States and Canada, 1920 to 1922*, by L. D. Clark (June, 1923, pp. 260).

No. 333, *Proceedings of the Ninth Annual Meeting of the International Association of Industrial Accident Boards and Commissions* (May, 1923, pp. 336).

No. 334, *Retail Prices, 1913 to December 1922* (June, 1923, pp. 224).

No. 335, *Wholesale Prices, 1890 to 1922* (June, 1923, pp. 234).

No. 339, *Statistics of Industrial Accidents in the United States*, by L. W. Chaney (June, 1923, pp. 60).

No. 340, *Chinese Migrations, with special reference to Labor Conditions*, by Ta Chen (July, 1923, pp. 237).

No. 342, *International Seamen's Union of America, a Study of Its History and Problems*, by A. E. Albrecht (June, 1923, pp. 120).

No. 345, *Wages and Hours of Labor in Cotton-goods Manufacturing 1922* (August, 1923, pp. 27).

The Children's Bureau of the federal Department of Labor has issued: Legal Chart No. 3, *Public Aid to Children in Their Own Homes, a Tabular Summary of State Laws in Effect November 1, 1922*, by L. L. Eckman (pp. 23).

Child Labor: Outlines for Study, revised edition of Bureau Publication No. 93 (Washington, 1923, pp. 63).

No. 106, *Child Labor and the Welfare of Children in an Anthracite Coal-mining District* (1922, pp. 94).

No. 117, *The Welfare of Children in Bituminous Coal-mining Communities in West Virginia*, by N. P. McGill (1923, pp. 77).

No. 118, *Standards of Public Aid to Children in Their Own Homes*, by F. Nesbitt (1923, pp. 145).

No. 120, *Maternity and Infant Care in a Mountain County in Georgia*, by G. Steele (1923, pp. 58).

No. 121, *Juvenile-Court Standards* (1923, pp. 10).

Bulletins of the Women's Bureau received:

No. 29, *Women in Kentucky Industries, a Study of Hours, Wages, and Working Conditions* (1923, pp. 114).

No. 30, *The Share of Wage-Earning Women in Family Support* (1923, pp. 170).

No. 31, *What Industry Means to Women Workers*, by M. Van Kleeck (1923, pp. 10).

Cyclostyled reports have been received from the United States Coal Commission, Washington, under date of July 5, (pp. 46); August 8, dealing more especially with labor relations in the anthracite industry, by a committee composed of H. S. Dennison, W. E. Hotchkiss, and J. H. Willits (pp. 84); September 8, (pp. 12); September 12 (pp. 13); September 13 (pp. 5); September 17 (pp. 77); September 18 (pp. 3); September 20 (pp. 42); September 21 (pp. 5); September 22 (pp. 5); September 22 (pp. 14); and October 3. The last mentioned deals with the earnings of bituminous mine workers in 1921.

The following documents were submitted by the Bituminous Operators' Special Committee, (Southern Building, Washington) to the United States Coal Commission during August and September, 1923: *Statement by the Somerset County Coal Operators' Association* (pp. 24); *The United Mine Workers in West Virginia* (pp. 97); *Comparative Efficiency of Labor in the Bituminous Coal Industry under Union and Non-union Operation* (pp. 231); *The Company Town* (pp. 43); *Monthly and Daily Earnings of Bituminous Coal Miners* (pp. 19); *Memorandum on the Influence of Labor Cost on the Prices of Bituminous Coal* (pp. 88). The Southern Wyoming Coal Operators Association (Rock Springs) also submitted a *Statement* to the United States Coal Commission under date of September 7 (pp. 6).

The General Policies Committee of Anthracite Operators (437 Chestnut St., Philadelphia) during the summer has issued a number of memoranda in

regard to various aspects of the coal industry. Among these may be noted *Competition in the Anthracite Industry; The Check-off or No Anthracite; Summary and Recommendations as to Industrial Relations in the Anthracite Fields.*

The following state reports have been received:

Fifth Annual Report of the Minimum Wage Board of the District of Columbia, for 1922 (Washington, 1923, pp. 35).

Twentieth Biennial Report of the Bureau of Labor Statistics of California 1921-1922 (Sacramento, 1923, pp. 396).

Thirty-first Annual Report of the Commissioner of Labor and Statistics of Maryland, 1922 (Baltimore, 1923, pp. 298).

Annual Report of the Industrial Commissioner of New York State, for 1922 (Albany, Dept. of Labor, 1923, pp. 193).

Report of North Dakota Workmen's Compensation Bureau, Minimum Wage Department, July 1, 1920, to June 30, 1922 (Bismarck, 1923, pp. 60).

Seventh Biennial Report of the Bureau of Labor Statistics of Texas, 1921-1922 (Austin, pp. 77).

Sixteenth Biennial Report of the Bureau of Labor of West Virginia, 1921-1922 (Charleston, 1922, pp. 159).

Biennial Report of the Industrial Commission of Wisconsin, 1920-1922 (Madison, 1923, pp. 62).

The National Industrial Conference Board has issued *Wages, Hours and Employment in American Manufacturing Industries, July, 1914—July, 1923* (New York, Research Report No. 62, pp. 154).

The International Labor Conference has printed questionnaires for consideration at the sixth session, to be held at Geneva, June, 1924. These deal with *Development of Facilities for the Utilization of Workers' Leisure* (pp. 30); *Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents* (pp. 29); *Weekly Suspension of Work for Twenty-four Hours in Glass-manufacturing Processes where Tank Furnaces are Used* (pp. 24); *Night Work in Bakeries* (pp. 38).

The National Association of Manufacturers has issued a pamphlet entitled *Evidence in the Case for the Open Shop* (New York, 50 Church St., pp. 16).

The New York State Department of Labor has for distribution *Proceedings of the Sixth Annual Industrial Conference of the State of New York*. This conference was held in Buffalo, November, 1922 (Albany, 1923, pp. 188). The department has also issued a new edition of the *New York State Labor Law with Amendments, Additions and Annotations to August 1, 1923* (pp. 142); *Court Decisions on Workmen's Compensation Law, July, 1921—April, 1923* (pp. 239); *New York Labor Laws Enacted in 1923* (July, 1923, pp. 55); *Miscellaneous Labor Laws with Amendments, Additions, and Annotations to Aug. 1, 1923* (pp. 169).

The Industrial Welfare Commission of California has issued a prelim-

inary report on *What California does to Protect Its Women Workers* (Sacramento, 1923, pp. 12).

Money, Prices, Credit, and Banking

ANOTHER PHASE OF THE BRANCH-BANKING CONTROVERSY.—Professor Gephart's article in the December, 1922, *AMERICAN ECONOMIC REVIEW*, entitled "The Present Branch Banking Controversy," adequately covers the situation so far as it applies to branches of national banks in the cities.

It does not attempt, however, to discuss the recent extensive growth of state-wide branch banking in such states as California. This condition is local to individual states and various causes are responsible for it.

This growth has been so rapid since 1919 that a word might be said in regard to certain provisions of the state laws which would seem to be in part responsible for the unusual growth.

For example, the California Bank act, section 19,¹ requires that state banks shall adjust their capital and surplus to a growing business in inverse proportion to the deposit liability, after passing certain minima. The larger the amount of the deposits, the smaller is the additional required amount of capital and surplus. For example, if a bank has \$200,000 capital and surplus, it may accept a deposit business up to \$2,000,000. By increasing its capital and surplus to \$425,000, it may take \$5,000,000 in deposits; and by increasing capital and surplus to \$1,000,000, it is possible for the bank to develop its deposit liability up to \$16,500,000. The ten per cent capital protection in the first instance, shrinks to 8.5 per cent in the second, and to 6.06 per cent in the third.

Large-scale banking is thus distinctly favored under the law, and since large-scale banking is most easily developed by the establishment of

¹California Bank act, approved March 1, 1909, amended and approved June 3, 1921. *California Statutes, 1921*, p. 1368. The section referring to capital and surplus reads as follows:

Sec. 19: The aggregate of paid-up capital together with the surplus, of every commercial bank, must equal the following percentages of its deposit liabilities:

- (a) Ten per centum of any amount up to and including two million dollars.
 - (b) Seven and one-half per centum of any amount in excess of two million dollars up to and including five million dollars.
 - (c) Five per centum of any amount in excess of five million dollars.
- The aggregate of paid-up capital together with the surplus of every savings bank having a capital stock, and the reserve fund of every savings bank without a capital stock, must equal the following percentages of its deposit liabilities:
- (d) Ten per centum of any amount up to and including one million dollars.
 - (e) Seven and one-half per centum of any amount in excess of one million dollars up to and including three million dollars.
 - (f) Five per centum of any amount in excess of three million dollars up to and including ten million dollars.
 - (g) Two and one-half per centum of any amount in excess of ten million dollars up to and including twenty-five million dollars.
 - (h) One per centum of any amount in excess of twenty-five million dollars.

The deposits shall not be increased if such proportion of paid-up capital and surplus or reserve fund to deposit liabilities is not maintained, and in no event shall said paid-up capital be less than the minimum paid-up capital provided by this act; *provided*, that such deposit liabilities shall be exclusive of United States and postal savings deposits and deposits of the State of California and of any county and municipality in the State of California which are secured as required by law.

branches in a state where the population is rather widely scattered, it is at once apparent that such laws favor branch banking. Of all branch banks, neighborhood branches in outlying sections of the large cities are perhaps the easiest to bring into existence.

The wide discrepancy in the capital requirements may be due partly to the fact that percentage figures were used in the act instead of the absolute amounts. When expressed in percentages, the public favoritism involved is less apparent, because the percentage figures are all small. But figured in dollars as we have just seen them, the matter appears in quite a different light. It is much easier to raise the \$1,000,000 capital, if a business of \$16,500,000 is expected, than the \$1,650,000, and yet one bank doing this much business can get along with the smaller sum under the law, whereas if eight or nine smaller banks shared the business, they would be compelled to raise the larger amount of capital.

The following illustration of the way in which the law works is quoted from President Whipple's address before the 1922 fall meeting of the California Bankers Association:² "If an independent bank, or a bank with branches, should hold \$5,000,000 of commercial deposits, which is the minimum amount of deposits permitted for the minimum percentage of capital and surplus,³ it would be required to have a capital and surplus of \$425,000. If, however, the \$5,000,000 should be divided into three independent banks, which would then be obliged to operate under the 10 per cent rule, the three banks would be required to maintain an aggregate of capital and surplus of \$500,000, a sum 15 per cent greater than that required for the single or branch bank. The disparity against the smaller bank is even greater when larger figures are used. For example, if the single or branch bank should have \$25,000,000 of commercial deposits, its required aggregate capital and surplus would be \$1,425,000, an average of 5.7 per cent. If the deposits were divided as shown above, there would be twelve or thirteen independent banks with a capitalization of \$2,500,000, a sum 43 per cent greater than that required for the single or branch bank."

If the purpose of capitalization is to afford security to depositors, then this great reduction in the amount of capital required by the state is predicated on the assumption that mere size is in itself a protection.

The opponents of branch banking find much ammunition for their cause in such laws as these. Because of the smaller capital requirement, the large

²"Social Importance of Branch Banking" by Howard Whipple, President, First National Bank, Turlock, California. The paper appears in full in the *Bankers Magazine* for April, 1923, pp. 638-649.

³The problem arises in banks located in large cities, and hence no mention is made by President Whipple of banks in smaller communities. All banks in California are not required to have a capital of this size. The amounts set by law depend upon population. Capital requirements of newly organized banks are as follows:

- \$ 25,000 capital for population of 5,000 or less.
- 50,000 capital for population of 5,000-25,000.
- 100,000 capital for population of 25,000-100,000.
- 200,000 capital for population of 100,000-200,000.
- 300,000 capital for population of over 200,000.

California Banking act, 1909, section 82, amended June 3, 1921. *California Statutes*, 1921, p. 1403.

institution can establish a competing branch in the same city as its main office, but near an independent bank, and from the very start it will have a decided advantage. \$25,000 capital will start the branch, but it would take \$200,000 to start an independent bank.

The large bank has not this direct capital advantage in California when attempting to establish a new branch in another city. Whatever comes to it is indirect. The new capital must equal the amount called for if an independent bank were to be organized in the same city. One way to avoid even this requirement has been found. The practice has grown in California for large city banks to buy up existing institutions in other cities when a new connection is sought. At times this has supplied the advantage of a lower capitalization than if a new bank had been started, provided the purchased bank were in existence before the passage of the act, since the law did not change all cases of existing capitalization. When the deposit business grows, a change must be made, but by that time the bank is in a stronger position than when opening up.

The disadvantage to the independent banker is said to lie in the fact that the capital of the branch is merged with that of the parent institution, and the total is used for unfair advertising purposes. The combined capital gives an appearance of strength which is actually not present in the branch itself. This advantage to the branch probably lies only in the matter of soliciting new business. While it is important, it may be less significant than the opponents of branch banking would imply.

A more important indictment might be based on the fact that the condition of the local bank is concealed because of the combined statement. Bad investments of the branch would not be reflected in the combined accounts if the main office and other branches had been prosperous. In other words, secrecy becomes possible through combination, and this is regarded as a detriment to sound banking.

H. F. CLARK.

University of Wisconsin.

The Annual Report of the Comptroller of the Currency appears this year in one volume (Washington, 1923, pp. 954).

The Ninth Annual Report of the Federal Reserve Board, covering Operations for the Year 1922 contains not only the report of the Federal Reserve Board, but, in part 2, tables relating to the condition and operation of each federal reserve bank. More detailed information in regard to the latter banks will be found in the annual reports of the respective federal reserve agents, which are published separately.

The Federal Reserve Bank of San Francisco and the Federal Reserve Bank of Richmond have for circulation a *Summary of Provisions of the Agricultural Credits Act of 1923*. This subject is also covered in a leaflet reprinted from the *Federal Reserve Bulletin* of August, 1923.

The testimony of Professor Irving Fisher, reprinted from the *Proceedings* of the Select Standing Committee on Banking and Commerce of the House of Commons of Canada, on Bill No. 83, an Act Respecting Banks

and Banking and on the resolution of Mr. Irvine, M. P., *re* basis, function, and control of financial credit, etc., given April 30 and May 1, 1923, has been printed as a separate pamphlet (pp. 537-58).

Among the annual state reports should be noted:

Sixteenth Biennial Report of the Bank Commissioner of Kansas, for 1922 (Topeka, 1923, pp. 598).

Thirteenth Annual Report of the Bank Commissioner of Maryland, for the Period Ending February 1, 1923 (Baltimore, pp. 169).

Annual Report of the New Jersey Commissioner of Banking and Insurance relative to Building and Loan Associations, June 30, 1922 (Trenton, pp. 181).

Fifteenth Annual Report of the Superintendent of Banks of Oregon, 1922 (Salem, pp. 102).

Sixteenth Annual Report of the Rhode Island Bank Commissioner showing the condition of State Banking Institutions as of June 30, 1923 (Providence, pp. 257).

Report of the Bank Commissioner of Utah for the Period Commencing April 1, 1921 to and including November 30, 1922 (Salt Lake City, pp. 173).

The Bank Commissioner of Wisconsin has published a new edition of the *Banking Law* of that state, revised to September 1, 1922 (pp. 233).

The National Industrial Conference Board has printed, as Research Report no. 63, *Changes in the Cost of Living, July, 1914—July, 1923* (New York, pp. 36).

Public Finance

The federal Bureau of Internal Revenue has made a statement of *Internal Revenue Collections, Fiscal Year 1923* (Washington, 1923, pp. 11).

The Report of the New York Special Joint Committee on Taxation and Retrenchment, Submitted February 1, 1923, has appeared as Legislative Document (1923) no. 55 (Albany, pp. 310). This is a substantial volume containing chapters on organization of county, town, and village government, justice, welfare, local tax administration, highway administration, financial planning and control, printing, personnel administration, and statistics. Special advisers of this committee were Professors Seligman, Haig, and Fairchild.

The University of Illinois has issued a small leaflet entitled *Our Taxes*. This shows how much of the taxes went to the state, to local, county, school, bridge, and other purposes. The circular was printed during the meetings of the last legislature to show the need of the university for increased funds.

The New York Tax Reform Association has printed a memorandum on *Tax Legislation, State of New York, 1923* (2 East Twenty-third St., New York).

State Reports dealing with taxes have appeared as follows:

Fourth Annual Report of the Tax Commission of Illinois, for 1922 (Springfield, pp. 339).

Sixth Annual Report of the Louisiana Tax Commission, 1922 (Baton Rouge, 1923, pp. 286). This commission was formerly the Board of State Affairs.

Eighth Biennial Report of the Minnesota Tax Commission of Minnesota (St. Paul, 1922, pp. 485).

Third Biennial Report of the State Tax Commission of Missouri, 1921-1922 (Jefferson City, pp. 98).

Biennial Report of the Nevada Tax Commission, 1921-22 (Carson City, 1923, pp. 62).

Thirteenth Annual Report of the Tax Commissioner of Texas, for 1922 (Austin, pp. 146).

Insurance and Workmen's Compensation

Under state reports dealing with workmen's compensation are to be noted:

First Annual Report of the Industrial Commission administering the Georgia Workmen's Compensation Act for 1921 (Atlanta, pp. 21).

Annual Report of the Workmen's Compensation Board of Kentucky, 1921-1922 (Frankfort, pp. 39).

Workmen's Compensation Law of New York State with Amendments, Additions, and Annotations to August 1, 1923 (Albany, pp. 117).

Seventh Report of the Workmen's Compensation Department of Wyoming, for 1922 (Cheyenne, pp. 139).

Statistics

Besides those mentioned under the section dealing with Industries and Commerce, the following reprints from Fourteenth Census Reports, vol. II, have been received under caption "Population: 1920":

Citizenship of the Foreign-born Population (Washington, 1923, ch. VIII, pp. 800-888).

Country of Birth of the Foreign-born Population (1923, ch. VI, pp. 687-774).

Country of Origin of the Foreign White Stock (1923, ch. IX, pp. 891-963).

Mother Tongue of the Foreign White Stock (1923, ch. X, pp. 967-1037).
School Attendance (1923, ch. XI, pp. 1040-1142).

State of Birth of the Native Population (1922, ch. V, pp. 606-684).

Year of Immigration of the Foreign-born Population (1922, ch. VII, pp. 776-797).

NOTES

The annual meeting of the AMERICAN ECONOMIC ASSOCIATION will be held in Washington, D. C., December 27-29, with headquarters at the New Willard Hotel. The meeting will open with a joint session with the American Statistical Association and American Farm Economic Association on Thursday morning, December 27, with papers on "The outlook for 1924-25 in the United States," by Charles O. Hardy, Louis G. Michael, and W. H. Dean; and will be continued in the early afternoon with papers on "The Outlook for 1924-25 in Europe," by Joseph S. Davis, and H. C. Campbell. The second session will be devoted to papers on "International trade and commercial policy," by Chauncey D. Snow, Henry Chalmers, and George W. Edwards. At the evening session U. G. Weatherly, of the American Sociological Society, and Carl C. Plehn, of the American Economic Association, will deliver their presidential addresses. A smoker will follow. On Friday morning and afternoon papers on "Railroad consolidation" will be presented by W. M. Daniels, William Z. Ripley, A. J. County, and Lewis H. Haney. In the evening Julius H. Barnes will deliver an address on the subject, "Production and the pursuit of happiness," with a smoker to follow. The morning session on Saturday will be devoted to papers on "Economic theory," by Z. C. Dickinson, Ludwig Kotany, and others. Round Table discussions on Transportation, American Foreign Trade, Economic Theory, Marketing, Labor, and Accounting will be held in the early afternoon, followed by a business meeting.

More detailed information in reference to topics and speakers will be given in the preliminary announcement distributed by the Secretary of the AMERICAN ECONOMIC ASSOCIATION. Arrangements have been made with the railway officials for reduced fares for members attending the annual meeting, provided the required number (250) present certificates.

The following associations will also meet in Washington at the same time: American Statistical Association, American Farm Economic Association, American Sociological Society, and American Association for Labor Legislation.

The following names have been added to the membership of the AMERICAN ECONOMIC ASSOCIATION since the first of August:

Armstrong, F. A., Institute of Economics, 26 Jackson Place, Washington, D. C.
 Atkinson, H. G., 19 S. LaSalle St., Educational Section, Chicago, Ill.
 Burdick, R. T., Colorado Agricultural College, Fort Collins, Col.
 Caruba, R., 955 Broad St., Newark, N. J.
 Chandler, R. A., Sylvania, Ohio.
 Cheng, D. L., 4325 10th Ave., N. E., Seattle, Wash.
 Clark, E. S., 703 Park Ave., Beloit, Wis.
 Cooper, P. P., Box 527, University of Kentucky, Lexington, Ky.
 Cunningham, J. B., Houghton, Mich.
 Daines, H. C., University of Chicago, Chicago, Ill.
 Fetter, F. W., Conant Hall, Harvard University, Cambridge, Mass.
 Fink, C. W., 1493 Michigan Ave., Columbus, Ohio.
 Foster, B., 13 Astor Place, New York City.
 Goldstein, R. M., 535 South Broad St., Middletown, Ohio.

Gulick, C. A., Jr., Columbia University, New York City.
 Hamilton, T. R., c/o Mr. W. P. Hedden, 11 Broadway, New York City.
 Harshaw, E. B., Grove City, Pa.
 Hemer, W., P. O. Box 487, Cape Town, So. Africa.
 Henry, J. M., Coe College, Cedar Rapids, Iowa.
 Hill, J. W., Penton Publishing Co., Cleveland, Ohio.
 Howard, C. E., Box 64, Kirksville, Mo.
 Hunt, W. D., Box 1820, Wellington, N. Z.
 McRaith, M. A., College of St. Thomas, St. Paul, Minn.
 Marcuse, I. J., Bedford Pulp & Paper Co., Richmond, Va.
 Martin, J. W., University of Chicago, Chicago, Ill.
 Morrison, L. A., 44 Jefferson Road, Princeton, N. J.
 Morse, M. L., 11 Seaver St., Wellesley Hills, Mass.
 Salomon, L. J., 268 Norman Ave., Brooklyn, N. Y.
 Smart, L. E., 483 Vermont Place, Columbus, Ohio.
 Stevenson, H. W., P. O. Box 506, University, Ala.
 Strong, C. M., Boston University, 525 Boylston St., Boston, Mass.
 Sweeney, H. W., University of Wisconsin, Madison, Wis.
 Taylor, C. C., Blacksburg, Va.
 Taylor, K. W., 198 Moira St., Belleville, Ont., Canada.
 Walrath, F. J., University of Porto Rico, Mayaguez, Porto Rico.
 Watkins, J. B., Roth Apartments, Pullman, Washington.
 Woodthorpe, R. A., 776 Cumberland St., Dunedin, N. Z.

The Society for American Field Service Fellowships for French Universities announces a competition for ten fellowships for the purpose of encouraging advance study and research in French universities during 1924-25. Application blanks and further information may be obtained from the secretary, Dr. I. L. Kandel, 525 West 120th St., New York City.

The Institute of International Education (522 Fifth Avenue, New York City) has published a pamphlet descriptive of the various fellowships granted under its auspices. These fellowships and scholarships are offered to American students for study in foreign countries, and to foreign students for study in the United States.

A special meeting of the American Statistical Association was held in New York City, November 2, to consider the general topic, "Phases of business cycle and variations in trade." The following addresses were given: "Interest rates and the business trend," by W. M. Persons; "Employment and output in the business cycle," by W. I. King; "A new index of the volume of trade," by C. Snyder; "Agriculture and the business cycle," by D. Friday; "Bank credit and production," by W. W. Stewart; "Financial factors in forecasting," by L. P. Ayers; "An index of automobile production," by F. L. Hayford.

INTERNATIONAL STATISTICAL INSTITUTE MEETING HELD AT BRUSSELS IN OCTOBER, 1923.—The International Statistical Institute held its fifteenth meeting at Brussels during the first week of October. There were 29 countries represented by 54 members and 69 invited guests. Of the ten American members two attended, A. T. Hadley and W. F. Willcox. Two other Americans, Mr. Edgar Sydenstricker, of the United States Public Health Service, now engaged in the health section of the League of Nations, and Mr. Asher Hobson, an American expert on agricultural statistics assigned to the International Institute of Agriculture at Rome, were present as invited guests.

The main object of the meeting was to discuss and recommend the best methods of gathering and presenting a nation's statistics so as to make comparisons easier between various countries and to secure a better understanding of the international economic situation. The meeting and program were suggested by the League of Nations, and the preliminary studies which were printed and circulated in advance were arranged by a joint committee, half from the League of Nations and half from the Institute. On nearly all points unanimous conclusions were reached before the session ended.

Perhaps the main profit of the meeting, however, lay in the fact that it enabled statisticians to reknit the bonds scientific and social which had been weakened by ten years of separation. The fourteenth meeting had been held at Vienna in 1913 and had adjourned to meet on the invitation of the Belgian government at Brussels in 1915. But the gathering had perforce been postponed through eight years.

Immediately after the war ended there was serious danger that the organization would disband, wrecked on international antagonisms, as the series of International Statistical Congresses which preceded the organization of the Institute in 1885 had been wrecked on the jealousies left in the wake of the Franco-Prussian War. But happily that danger has been averted, and biennial meetings are to be resumed; for the Institute gladly accepted the invitation of Italy and will hold its next meeting at Rome in 1925.

The Institute is limited to 200 regular and 20 honorary members, not more than one fifth to come from any single country. Its members are persons who have achieved distinction in statistics, either administrative or scientific, and thus most of them are government statisticians or teachers of statistics. Owing to the partition of Austria, the eclipse of Russia and Germany, and the participation of four Americans, the part played by the United States in this meeting was greater than that at former sessions. That fact was probably the reason that for the first time an office was filled by a non-European member, W. F. Willcox being chosen as vice-president, a position which carries with it membership on the executive committee or Bureau. Two Americans, also, William M. Steuart, the Director of the Census, and Professor A. A. Young, of Harvard, were elected to membership.

Washington University, St. Louis, has recently established a Graduate School of Economics and Government. The earlier part of the graduate work is held in St. Louis. In order to take advantage of the facilities which Washington, D. C., offers, a residence foundation has been established there for a limited number of students engaged in preparation of theses. This work will be correlated with the research programs of the Institute of Economics and of the Institute for Government Research. Already ten students are at work in Washington under the auspices of the combined institutes. In the academic year 1923-24, thirty fellowships, varying in value, have been provided. The school is at present under the direction of a committee of which Professor Isaac Lippincott, of Washington University, is chairman.

THE HISTORY INQUIRY.—An inquiry into the present content, organization, and tendencies of history teaching in our schools is being made at the request of the Committee on History in the Schools of the American Historical Association. The work is in charge of Professor Edgar Dawson of Hunter College, secretary of the National Council for the Social Studies, under an appointment made in the Division of School Experimentation of the Institute of Educational Research, Teachers College, Columbia University. It will be supervised by a committee appointed under the authority of the officers of the American Historical Association. The Institute of Educational Research will contribute to the investigation expert advice on the conduct of such an investigation and financial aid in getting the work done; but the character of the information to be collected and the organization of it for publication will be in the hands of the committee of historical scholars of which Professor W. E. Lingelbach of the University of Pennsylvania is chairman.

The immediate purpose of the investigation is to furnish to the officers of the American Historical Association such definite information as will guide them in determining the policy of the association in dealing with its obligation to history teaching in the schools. For this purpose the information will be needed before the end of December of this year and the work of collecting it will be vigorously pushed with this purpose in view. But some time after the beginning of the new year will be used in the final formulation of such a report as will be interesting and valuable to all who are engaged in educational administration. Both the investigation and the report will be limited to objective information collected in a scientific spirit for the use of those who are in need of facts in this field. No effort will be made to argue the desirability of one course or method as compared with another. This argument and the formulation of courses of study will be left to those who are to use the facts after the work of investigation is terminated. Those who are interested in such an undertaking are invited to send information, suggestions, or inquiries to Mr. Dawson, 425 West 123rd Street, New York City.

For those who have laid emphasis on the need of information in this field, this inquiry offers an opportunity which should be fully used. An inquiry into the status of history in the schools must necessarily consider, to some extent at least, the status of the other social studies as well. If there are teachers or school administrators who wish to know what is being done in this field, now is the time to send in their requests for definite information in order that it may be secured and supplied to them. While the fullest discussion of the inquiry is solicited, those who are too busy to do more than send to the above address a brief statement of the lines along which investigation should be made are urged to do that at the earliest possible moment.

The work of the Joint Commission for the Presentation of Social Studies in the Schools has been finished and a brief report prepared, entitled *The Distinctive Contributions of History, Economics, Political Science, Sociology, and Geography to a School Curriculum Organized around Social Objectives*. Copies of the report may be had by applying to Professor

L. C. Marshall, of the University of Chicago. The following paragraphs are taken from the section which deals with "The distinctive contribution of economics":

The distinctive contribution of economics to a school curriculum organized around social objectives is the understanding it gives of the processes by which men get a living. A very large part of human activity is devoted to the process of getting a living. One of the most significant things about our world is the fact that nature does not gratuitously supply all, or even many, of the commodities and services desired. In consequence, we "struggle" to get a living; we learn to "economise" (in the broadest sense of that term) in the selection and utilization of effective means of gaining desired ends. These activities are our *economic activities*. They are carried on largely in group life and, even when most individual, are affected by group life. Economics, then, promotes a realization of what it means to live together and an understanding of the conditions essential to living together well, because it helps to explain the organization and functioning of an evolving society from the point of view of the social processes of making a living.

Economics sets forth, for example, certain aspects of our specialization, our interdependence, our associative effort, our technological struggle with nature, our pecuniary organization of the production and sharing of goods, our utilization of labor under the wage system, our market exchange, our international economic relations, our scheme of private property and competitive effort—all of which have become vital parts of our present social organization—and it shows how all of these function in enabling us to work and to live together. Concerning these economic processes certain generalizations or laws have been worked out and they are available as standards or guides for individuals and for groups.

Living together well in a democracy will be furthered if its people take an intelligent part in the guidance of the process. It is in this connection that it becomes peculiarly important that there should be a widespread knowledge of economic generalizations. Since a large part of our activities are economic activities, problems of competition, combinations of capital and of labor, distribution of income in relation to the common welfare, trade, transportation, and finance (to cite only a few) will always receive a large share of attention by every society which is concerned in restraining, regulating, and promoting economic activities that affect the social welfare. If democracy is to succeed, a large number of its members must learn to form intelligent judgments upon economic issues—to make those wise choices between alternative courses of action which are the real essence of "economy" broadly conceived. They can do this only provided they come to know the general plan or organization of our economic life, and to appreciate the existence and character of economic law in both domestic and international relations.

The "Progress report of the Committee on Political Research" may be found in the *American Political Science Review* for May, 1923, pp. 274-312.

A cyclostyled copy of an address by Dr. Henry C. Taylor, prepared for students of agricultural economics in the summer session at Cornell University, on *Agricultural Forecasting* has been received.

The Institute of Economics, 26 Jackson Place, Washington, D. C., has recently added several new members to its staff. C. L. Benner and E. J. Working, both from the Iowa State College, join the agricultural division. Mr. Benner will specialize on the subject of rural credits, and Mr. Working will assist in the general activities of the division. Dr. Charles O. Hardy, of the University of Iowa, will join the staff of the Institute in January. His especial field will be finance and speculation. Robert Campbell, from the University of Wisconsin, will devote his time primarily to the subject of industry and labor, and Charles S. Morgan, from the Interstate Commerce Commission, to the subject of transportation. Miss Adelaide Hasse, the well-known bibliographer, will assist the Institute in gathering material.

The School of Commerce, Accounts, and Finance of New York University has arranged for a series of lectures on "Problems and policies of international finance, given in the Board of Governor's Room of the New York Stock Exchange. The following is a partial list of topics and speakers: "Present unsettled problems in international finance," by G. E. Roberts; "Credit insurance," by G. R. Meyercord; "Trade financing under present conditions, banker's viewpoint," by G. W. Edwards; "An intelligent terms-of-sale policy," by N. R. Browne; "Government policy toward trade finance," by E. Meyer; "Investment trusts," by G. Jones; "Stock exchange policy toward investment finance," by S. P. Gilbert; "Currency stabilization in relation to American business and banking," by H. P. Willis; "Settlement of interallied debts in relation to American business and banking," by W. Booth; "Settlement of reparations in relation to American business and banking," by P. D. Cravath.

Mrs. Willard Straight has made a gift to Mount Holyoke College to be known as the Straight Fund for Economic and Social Research. Part of this fund has been used for a fellowship in economics. Miss Wilhelmina M. Breed, a graduate of Girton College, Cambridge, has been appointed to the fellowship for the present year. The fund will also support the work of the undergraduate honor students in the department of economics and sociology.

Senator W. B. McKinley has presented to the University of Illinois securities yielding an annual income of \$7,000 for the endowment of a chair in the economics of transportation.

In May of this year the Library Association (Agents: Messrs. Grafton & Co., 7-8 Coptic St., London, W. C. 1) issued the *Subject Index to Periodicals, Division B-E, Historical, Political and Economic Sciences*, price £1 1s. This contains nearly 6000 entries, obtained from the examination of about 400 periodicals.

Lucknow University Sociological Association has begun the publication of the *Indian Sociological Review*. The first number appeared in August (Lucknow Univ., Lucknow, India, 1 rupee, 8 annas.)

The Labor Bureau, Inc. (2 West 43rd St., New York City) is publishing an economic news letter, entitled *Facts for Workers*, a monthly review of current economic facts, interpreted from the point of view of organized labor. This is sold to public libraries and educational institutions at a special rate of \$10 per annum.

The June number of *De Economist* has a series of five articles on Adam Smith, who was born two hundred years ago (June 5, 1723). C. A. V. Stuart writes on "Adam Smith and free trade," D. Van Blom on "Adam Smith preparing the way," H. W. C. Bordewijk on "Adam Smith and banking," A. V. Gijn on "Adam Smith and taxation," and J. C. Kielstra contributes an article on "Adam Smith and the colonies."

The Russian Information Bureau has begun the publication of the *Russian Review*, the first issue of which appeared September 15, and the second, October 1, 1923 (1726 Twenty-first St., N. W., Washington, D. C.)

Appointments and Resignations

Dr. J. B. Andrews, secretary of the American Association for Labor Legislation, was unofficial observer for the President's Conference on Unemployment at the conference of the International Association on Unemployment in Luxembourg, September 9-11. He was elected vice-president of the Association for English-speaking countries. While in Europe, Dr. Andrews made a study of international problems arising as a result of the American Seamen's act, of the reciprocal treatment of wage earners of the various countries under accident compensation laws, and of provisions for the prevention of dust explosions in coal mines, as well as the problem of unemployment.

Professor Charles R. Atkinson, dean of the department of economics at Marquette University, has been appointed associate professor at the University of Washington, College of Business Administration.

Mr. Thomas C. Billig, formerly instructor in economics, has been appointed assistant professor of economics in Washington and Jefferson College.

Dr. R. G. Blakey has returned to the University of Minnesota after a fifteen months' leave of absence spent in Europe.

Professor E. L. Bogart, head of the department of economics at the University of Illinois, has returned to his duties after a year spent in Persia as a member of the American Financial Mission. While there he acted as director of the state bank and of the mint as well as adviser in currency and banking.

Dr. S. J. Brandenburg has been called from the University of Arkansas to the headship of the newly created department of economics and sociology at Clark University. Dr. Brandenburg taught at the University of Texas during the summer session.

Dr. Pembroke H. Brown has been appointed associate in economics at the University of Illinois.

Mr. Carl P. Burch, formerly assistant professor of economics at Oklahoma Agricultural College, has been appointed instructor in the School of Commerce, Accounts and Finance, New York University. Part of his time will be given as assistant in the office of the Graduate School of Business Administration.

Professor Warren B. Catlin has returned to Bowdoin College after a year's leave of absence spent in Great Britain and in research upon the labor problem at Harvard University.

Mr. Elmer S. Clark has been made an instructor in economics at Beloit College.

Professor John R. Commons, professor of economics in the University of Wisconsin, is on leave of absence for the first semester in order to assist in the investigation of the "Pittsburg plus" practice before the Federal Trade Commission.

Mr. H. S. Conklin, Jr., lecturer in insurance at Lafayette College, was

associated this summer with the New York University Life Insurance Training Course in the summer school of the Life Insurance Underwriters Association of St. Louis.

Mr. J. Earle Conn has been appointed assistant professor of economics at Beloit College.

Mr. Wilfrid H. Crook, of Oxford, England, and Harvard University has joined the staff of the department of economics at Bowdoin College.

Mr. F. G. Dickinson has resigned from his position at Pennsylvania State College to become instructor in economics at the University of Illinois.

Professor Howard D. Dozier has resigned as professor of economics at Dartmouth College and has taken a position as research expert in the Division of Statistics, Treasury Department, Washington.

Professor Garrett Droppers has retired from the Orin Sage professorship of economics at Williams College and become professor emeritus.

Dr. George W. Edwards, formerly assistant professor of banking at Columbia University, has been appointed professor of banking at New York University. He will devote the major portion of his time to work in the financial district in connection with the Wall Street Division of the School of Commerce and the Graduate School of Business Administration.

Dr. Paul A. Eke, who was formerly at the University of Wisconsin, has been made instructor in agricultural economics at the University of Illinois.

Miss Clara Eliot has been appointed instructor in economics at Barnard College.

Professor Henry P. Fairchild, professor of social economy in New York University School of Commerce, was granted a leave of absence for the fall term and spent his time in Europe on a special study of immigration problems for the government.

Mr. E. I. Fjeld, formerly instructor in the University of Illinois, has been called to the University of Colorado, where he will serve as assistant professor of accounting in the School of Business Administration.

Mr. H. M. Fletcher, who was formerly instructor in economics at Leland Stanford University, has resigned his position and has accepted a similar appointment at the University of Illinois.

Professor A. M. Fox, formerly lecturer in the School of Business Administration, College of the City of New York, and sometime assistant to the General Valuation Counsel of the New York Central Lines and Examiner of the Michigan State Tax Commission, is now engaged on the sugar investigation being conducted by the United States Tariff Commission. He spent two months this summer in the Hawaiian Islands in connection with this work. He has also been occupied with collection of data pertaining to that portion of the Cuban sugar industry which is controlled by American interests.

Dr. David Friday resigned the presidency of the Michigan Agricultural College on June 1, 1923. He has been appointed professor of economics

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at the New School for Social Research in New York City. He is also acting as director of research of the National Transportation Institute.

Professor F. B. Garver, of the University of Minnesota, has been serving as a consulting economist in the formulation of the case of several middle-western states in the "Pittsburgh plus" controversy.

Professor Alberto A. Giesecke has resigned the presidency of the State University of Cuzco (Peru), and is now in Lima in charge of examinations and courses of study of all elementary, secondary and normal schools in the Peruvian Republic.

Mr. P. D. Godfrey, who has been assistant in the department of economics of the University of California the past year, has gone to Southeastern College, Durant, Oklahoma, as associate professor of economics.

Dr. F. A. Golder, formerly of the State College of Washington, has returned after two years with the American Relief Expedition in Russia to take up the work in history in Stanford University.

Mr. Albert O. Greef has been appointed instructor in economics at Williams College.

Dr. Barton Griffiss is now assistant professor of economics at the University of South Dakota.

Professor Walton H. Hamilton, formerly of the department of economics at Amherst College, is associated with the Institute of Economics, at Washington, and has joined the staff of the new Graduate School of Economics and Government of Washington University, St. Louis.

Associate Professor Alvin H. Hansen, of the University of Minnesota, has been promoted to a full professorship.

Mr. Milton Heath has been appointed instructor in economics at Tufts College.

Professor Edith Hess, formerly a member of the teaching staff in the department of economics at Ottawa University, Ottawa, Kansas, is now head of the commercial department of the State Normal School, Mayville, N. Dak.

Dr. J. T. Holdsworth, formerly with the Bank of Pittsburgh N. A., has been appointed President of the Pennsylvania Joint Stock Land Bank of Philadelphia.

Mr. J. Hugh Jackson, who has been associated with Price, Waterhouse & Company, New York, has been elected professor of accounting in the Graduate School of Business Administration, Harvard University. Mr. Jackson will also continue his affiliations in New York, doing special research in the Price-Waterhouse organization.

Dr. George M. Janes, professor of economics at Washington and Jefferson College, taught at the summer session of the University of Virginia.

Dr. Jeremiah W. Jenks, research professor at New York University, will be in Europe for four or five months studying finance and banking problems. His work will take him to France, Germany, and probably to Russia and some of the smaller states of central Europe.

Professor Harry Jerome, assistant professor of economics at the University of Wisconsin, has a year's leave of absence and is working with the National Bureau of Economic Research in New York City.

Mr. Glenn R. Johnson, formerly of Bowdoin College, is now with the State College for Women at Greensboro, North Carolina.

Mr. C. E. Landon has been made instructor in economics at the University of Illinois.

Professor Howard T. Lewis is to succeed Professor Stephen I. Miller as dean of the College of Business Administration at the University of Washington.

Mr. Leverett S. Lyon, of the University of Chicago, has been appointed this year as dean of the School of Commerce and Finance of Washington University, St. Louis.

Professor David A. McCabe, of Princeton University, was granted a leave of absence for the first term of the present academic year.

Mr. J. A. McDonald, formerly of the University of Minnesota, has been appointed an instructor in the department of economics at Dartmouth College.

Mr. C. H. Merchant is now in charge of the courses in marketing at the State College of Agriculture, Logan, Utah.

Professor Edward V. Miller, formerly of the University of Chicago, has been made head of the economics department in Wooster College.

Dr. Harry E. Miller is now assistant professor in the department of economics and sociology at Clark University.

Mr. Stephen I. Miller, Jr. has resigned as dean of the College of Business Administration of the University of Washington to accept a position as National Educational Director of the American Institute of Banking.

Dr. C. W. Mixer of the United States Tariff Commission, has been placed in charge of a specific statistical study of imports and exports to be conducted both in broad outline and in detail. Dr. Mixer's previous connection in Washington was with the staff of the Chamber of Commerce of the United States.

Dr. Bruce D. Mudgett, of the University of Minnesota, has been promoted from associate professor to a full professorship.

Mr. Edward Mullins, who came to the United States Tariff Commission from the Harvard Graduate School of Business Administration, is acting as assistant to Dr. Turner and Dr. Mixer.

Mr. John J. Murray has been appointed an instructor in the department of economics, College of Business Administration, Boston University.

Dr. Walter R. Myers, of the department of finance at the University of Minnesota, has been promoted to an assistant professorship.

Dr. E. F. Nickoley, professor of economics and formerly acting president at the American University in Beyrouth, Syria, is spending a year's leave of absence at the University of Illinois, where he is giving several courses.

Dr. L. J. Norton has resigned his position as assistant professor in agricultural economics at Cornell University to accept a similar position at the University of Illinois.

Dr. E. G. Nourse, formerly of Iowa State College, is now with the Institute of Economics at Washington.

Dr. Carl E. Parry has been appointed specialist in future trading, U. S. Department of Agriculture, with headquarters at Washington. He is making a study of the workings of the grain futures markets, especially the Chicago Board of Trade, with particular reference to their price-making and other economic functions. The basis for this study was laid by the Grain Futures act, 1922, which requires the members of the exchanges to keep complete records of trading in futures and to make these available to authorized representatives of the Secretary of Agriculture.

Mr. E. G. Plowman, a former instructor at Massachusetts Institute of Technology, has been appointed an instructor in the department of economics, College of Business Administration, Boston University.

Professor Harold L. Reed has resigned the position of professor of banking and finance at Washington University and is now professor of economics and finance at Cornell University.

Professor M. H. Robinson, of the University of Illinois, taught in the summer session of the University of California.

Professor I. L. Sharfman, of the University of Michigan, is on leave of absence during the current academic year, directing an investigation of anti-trust policy for the National Industrial Conference Board. Associated with him in this investigation are Professor Myron W. Watkins, of the University of Missouri, also on a year's leave; Dr. Hermon K. Murphey, formerly instructor in economics in the Carnegie Institute of Technology; Mr. George W. Stocking, formerly assistant professor of economics in the University of Vermont and Mr. Harwood L. Childs, until recently assistant professor of economics at Syracuse University.

Mr. W. J. Shepard, of Ohio State University, is now on the faculty of the Graduate School of Economics and Government, Washington University, St. Louis.

Professor Earle S. Sparks, of Tufts College, has been made acting head of the department of economics at that institution, with the title of assistant professor.

Mr. J. Warren Stehman, assistant professor of business finance in the University of Minnesota, has been promoted to an associate professorship.

Mr. R. W. Stone, secretary of the College of Commerce and associate professor of economics in the University of Iowa, is on leave of absence. He is now serving as assistant chief investigator for the National Industrial Conference Board.

Assistant professor Henry W. Sweeney has left the University of Wisconsin in order to complete his work for the doctorate at Columbia University. He is also doing practical accounting with Lybrand, Ross Brothers,

and Montgomery, and remains connected with the University of Wisconsin as special writer for the Extension Division.

Mr. William S. Swingle, credit manager, Asia Banking Corporation, has been appointed to give a course in banking in the Wall Street Division of New York University, School of Commerce, Accounts and Finance.

Mr. Raymond D. Thomas has been granted two years' leave of absence from the department of economics, State College, Springfield, Missouri. He has been appointed assistant in economics at the University of Wisconsin, where he is doing graduate work in land economics.

Miss Donna Thompson, who has been on leave of absence in England for the last two years, has returned to Mount Holyoke College as assistant professor of economics and sociology.

Professor H. R. Tosdal, of the Graduate School of Business Administration, Harvard University, spent the summer in Europe making connections with writers for the Harvard Business Review.

Dr. Rufus S. Tucker, formerly of Harvard University, is now assistant chief of the Finance and Investment Division, Department of Commerce, Washington.

Professor John R. Turner, chief economist of the United States Tariff Commission, has been granted a leave of absence from New York University for the present academic year.

Professor Roland Snow Vaile, of the University of California, is now in charge of the courses in marketing at the University of Minnesota.

Professor Floyd L. Vaughan, formerly assistant professor of economics at Brown University, has been appointed professor of economics at the University of Oklahoma.

Mr. Frank J. Walrath is in charge of the work in agricultural economics and marketing at the University of Porto Rico, Mayaguez, P. R.

Professor N. A. Weston, of the University of Illinois, taught in the summer session of the University of Southern California.

Professor Harvey A. Wooster has resigned his position at Tufts College to become professor and head of the department of economics at Oberlin College.

Professor Ivan Wright, assistant professor of agricultural economics at the University of Illinois, spent the summer in Washington, where he was employed by the Federal Reserve Board in an investigation of the movement of gold.

Mr. Robert M. Jameson, assistant professor of economics at Boston University, died September 19, 1928.

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Books for review should be sent to the Managing Editor.

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